Records of the Louisiana Constitutional Convention of 1973: Committee Documents

VOLUME XII
Records of the Louisiana Constitutional Convention of 1973: Committee Documents

VOLUME TWELVE

by

LOUISIANA CONSTITUTIONAL CONVENTION RECORDS COMMISSION

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A. Edward Hardin, Coordinator of Research
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COMMITTEE ON LOCAL AND PAROCHIAL GOVERNMENT
I. Minutes
A. Full Committee Minutes

MINUTES OF THE COMMITTEE ON LOCAL
AND PAROCHIAL GOVERNMENT

The Committee on Local and Parochial Government met
Temporary Chairman Delegate D’Gerolamo called the
meeting to order and stated that the first order
of business was that of electing officers.

After some discussion, it was moved and seconded that
the officers of the committee consist of a chairman,
for vice-chairman and a secretary. Without objection,
the motion was adopted.

After discussion and without opposition, the
following officers were declared elected by acclamation:

- Mr. Chalin Perez, Chairman
- Mr. Jack Burson, Vice-Chairman
- Mr. Terry Reeves, Vice-Chairman
- Mr. Joseph Conino, Vice-Chairman

Mr. Johnny Jackson and Mr. Harvey Cannon were nominated
for vice-chairman. Upon a vote, the Chairman declared
that Mr. Jackson had received a majority of the votes
cast, and Mr. Jackson was declared elected vice-chairman.

Mr. Gordon Kean and Mr. Harvey Cannon were nominated
for secretary. Upon a vote, the Chairman declared
that Mr. Kean had received a majority of the votes
cast, and Mr. Kean was declared elected Secretary.

A discussion was had concerning further organization
of the Committee. The Chairman was authorized to call
a meeting of the Committee for this purpose at the
earliest practical date.

The Chairman announced that the officers of the Committee
would meet immediately following adjournment
of the Convention.

There being no further business to come before the
Committee, the meeting was adjourned.

MINUTES

Minutes of the meeting of the Committee on Local and Parochial
Government of the Constitutional Convention of 1973
Held, pursuant to notice mailed by the Secretary of
the Convention on Wednesday, February 21, 1973

State Capitol, Baton Rouge, Louisiana
Monday, February 26, 1973, 10:00 a.m.

Presiding: Chalin O. Perez, Chairman of the Committee on Local and
Parochial Government

Present: Chalin O. Perez
   I. Jackson Burson
   Joseph Conino
   Johnny Jackson, Jr.
   Terry R. Reeves
   R. Gordon Kean
   Harvey W. Cannon, Jr.
   Ethan J. Chotelain
   Edward D’Gerolamo
   H. M. Fowler
   Joseph I. Giarrusso, Sr.
   George Dewey Hayes
   Walter L. Lanier, Jr.
   V. C. Shannon
   J. E. Stephenson
   Dorothy Mae Taylor
   Joseph F. Toomy
   Dr. Frank Ullio
   Mary Zervigon

A copy of the minutes of the previous meeting were distributed
to the members of the committee and adopted, a copy of which is
attached and made a part of these minutes.

The chairman opened the meeting stating that he hoped that
meetings could be established throughout various parts of the State,
but was advised, because of the shortage of funds, the committee
will be limited to four or five meetings per month. He also assumed
that all meetings will be held in Baton Rouge. Mr. Perez stated
that a great deal of thought was given to the approach of organizing
the efforts of the committee, and that all the provisions of the
1921 Constitution are going to be carefully considered.

It was suggested by the chairman that the committee begin to
conduct their meetings in approximately two weeks so as to give
interested parties adequate time to prepare any comments they might
wish to contribute. After considerable discussion, Mr. Chotelain
moved that the first meeting be held on March ninth and tenth. The
chairman stated that the meeting on March ninth will be to consider
the general forms of municipal government and to receive comments
and suggestions from local officials as well as other interested
parties, and March tenth will be set aside for the purpose of con-
sidering the charter forms of parochial government and also receiv-
ing the benefit of comments and suggestions. All were in favor of
this motion.

Having settled on the date and subject matter of the next
meeting, discussion was opened for the dates of the following
meeting. It was decided that March nineteenth and twentieth would
be the dates for the second meeting, and that parish government
including the governing bodies of the parishes excepting charter
forms, will be considered on these days.

Tentatively selected as April meeting days were the ninth
and tenth and the twenty-seventh and twenty-eighth. The subject
matter to be considered at these meetings will be determined at
a later date.

Dr. Gene Tarver was introduced as Research Coordinator for
this committee and asked to prepare for distribution various
information for the members.

A motion was offered by Mr. Kean that the chairman be authorized
to appoint a subcommittee to take the present articles of the Consti-
tution and designate those subject matters into which the committee
would delve. Mrs. Mary Zervigon seconded the motion and all were
in favor. The chairman then stated that the subcommittee would
consist of Mr. Gordon Kean, Chairman; I. Jackson Burson; Walter
Lanier, Jr.; V. C. Shannon; and Joseph F. Toomy. Mrs. Mary
Zervigon, Terry Reeves and Harvey Cannon also requested to be in-
cluded as members of the subcommittee. It was decided that the
subcommittee would meet at 1:30 p.m. this same day.

Public officials will be allowed to present their views first.
An effort will be made to keep each presentation within a time limit
in order that each person appearing may be heard by the committee.
This time limit will depend on the number of people requesting to
be heard. A suggestion was made that the people requesting to be heard also prepare a written presentation in the event it was not possible for all their views to be presented orally.

A motion was offered by Mrs. Mary Servignon that the Committee on Local and Parochial Government go on record as being anxious to receive any written views concerning local and parochial government. This motion was unanimously accepted.

The chairman stated that each member would act on his own as to keeping their own constituents notified of what is going on and obtaining their views to be presented.

It was further acknowledged that since it was almost impossible for the Committee to attempt to cover each phase of material within its jurisdiction, subcommittees should be established. Gordon Kean suggested that the Committee be broken into five subcommittees:

A. Home rule, consolidation, and intergovernmental relationships
B. Special districts
C. Parish and municipal financing, including bonded indebtedness and assessments
D. Establishment and authority of the powers of municipalities and parishes in the area of planning and zoning, particularly regional planning
E. Local governmental offices, boards and commissions

It was also suggested that a subcommittee might be needed for the City of New Orleans.

The chairman stated that the committee was not ready at this time to break into subcommittees. It was, however, suggested that the committee establish a target date for the designation of subcommittees, to be tentatively considered at the last meeting of the committee in March.

It was noted that a major emphasis is placed on writing a constitution that is simple and easy to understand.

There being no further business to discuss, the chairman asked for comments from the audience.

Mr. L. G. Morgan, representing the Louisiana AFL-CIO, stated that his organization envisioned being heard primarily after July, after the initial document was drafted. He stated that his organization definitely had suggestions to offer. The chairman advised that the method of operation will be dictated by the convention as a whole, and the committee would welcome any drafts or proposals as soon as possible. Mr. Morgan also inquired as to how he could obtain notice of the meetings, and he was informed that such requests should be addressed to the Secretary of the convention.

Mr. Jimmy Hayes, Secretary of the Police Jurors Association, stated that his association is in the process of canvassing its people to give the committee the benefit of its input.

Mr. Clarence Perez, President of the New Orleans Fire Fighters Association, stated that his organization has several ideas to include, but doubts if it will be possible to put into one presentation. He asked if he could contact his local delegates to arrange a private meeting, and was advised that this was acceptable.

There being no additional comments, the meeting adjourned at 12:30 p.m.

Chalin D. Perez, Chairman
Gordon Kean, Secretary

NOTES

Addendum omitted is the Minutes of January 30, 1973 meeting of the full committee, above.

MINUTES

Minutes of the Committee on Local and Parochial Government Committee of the Constitutional Convention of 1973

Held pursuant to notice mailed by the Secretary of the Convention on March 1, 1973

State Capitol, Governor's Conference Room, Baton Rouge, Louisiana

Friday, March 9, 1973, 10:00 a.m.
Saturday, March 10, 1973, 9:00 a.m.

Presiding: Chalin D. Perez, Chairman of the Committee on Local and Parochial Government

Present: Chalin D. Perez Joseph Conino
Johnny Jackson
Terry Reeves
R. Gordon Kean
Harvey Cannon, Jr.
Ethan Chatelain
Edward D'Gerolamo
H. M. Fowler
Joseph Giarrusso, Sr.
George Dewey Hayes
Walter Lanier, Jr.
V. C. Shannon
J. M. Stephenson
Dorothy Mae Taylor
Joseph F. Toomy
Mary Servignon

Absent: I. Jackson Burson
Tom Colten
Dr. Frank Ulio

A motion was offered by Mr. Shannon that the minutes of the previous meeting and the minutes of the sub-committee on Jurisdiction be approved as written. This motion was seconded by Mr. Chatelain and unanimously adopted.

The chairman welcomed those who had indicated a desire to appear before the committee as well as the general public, and introduced the Honorable Moon Landrieu, Mayor of the City of New Orleans. Mayor Landrieu stated that it was his hope that the committee "draw a local government article that will grant maximum home rule, that will allow maximum flexibility to meet changing times, that will fix responsibility clearly, and that will insure responsiveness of governmental agencies to the people". The Mayor expanded upon these statements and voiced additional views and opinions on various subjects.
as noted in a copy of his remarks which is attached hereto and made part of these minutes. Mayor Landrieu stated that it is extremely important for the constitution to provide protection for local government, and that he would like to see much of the present constitutional material made a matter of legislation. It was also the Mayor's opinion that the city have the right to establish the wages of city workers. When asked if he envisioned the City of New Orleans to take charge of the port of New Orleans, the Mayor replied that he was recommending the reverse. He stated that the Sewerage and Water Board should be taken out of the constitution and placed in statutory material. Mayor Landrieu also stated that he will submit his personal recommendations concerning individual boards in approximately one month.

Messrs. Harry Kelleher and Chester Reith, representatives of the Board of Liquidation of City Debt of New Orleans, were introduced. Mr. Kelleher stated that some of the present provisions of the constitution relating to the Board of Liquidation were obsolete and other provision can be streamlined and reduced. By doing this, Mr. Kelleher was of the opinion that the Board could function just as effectively. He stated that he would also submit specific recommendations in writing to the Committee. When asked if he thought that provisions relative to the Board could be eliminated from the constitution and made a matter of legislation, Mr. Kelleher replied that the agency has functioned effectively in the Constitution for 93 years and has saved the taxpayers millions of dollars, and has the potential of continuing to do so. In his opinion, removing the Board from the Constitution would be tragic because of the effect it might have on the rating of the bonds. However, it was pointed out that other municipalities not having this type of Board also have bond ratings similar to the City of New Orleans. It was suggested that the Board of Liquidation devise a system that would not require the submission of the entire electorate of the state as to whether New Orleans should or should not be authorized to issue bonds and submit this plan to the committee.

The chairman introduced Mr. Ulisse M. Nolan, President Pro Tempore of the Sewerage and Water Board of New Orleans. The Sewerage and Water Board suggests the following five proposals as alternatives to the New Orleans City Council's resolution to abolish the board and place its functions under the jurisdiction of the city council as another department of city government.

3. Clarify the presently ambiguous language of the Constitution which gives the Sewerage and Water Board the right to fix water and sewerage rates but requires City Council and Board of Liquidation approval, by clearly investing in the Sewerage and Water Board along the right, after public hearings, to fix rates subject to approval of the Board of Liquidation of City Debt, but not that of the City Council.

4. Authorize the Sewerage and Water Board to issue revenue bonds backed by water and sewerage charges for capital improvements to the water and sewerage systems, respectively. Further, the Board of Liquidation of City Debt should be directed to monitor all bond funds so as to assure that all bond covenants are kept and to perform all necessary steps to issue and sell these bonds in the open market.

5. Authorize the Sewerage and Water Board to go out to voters of New Orleans, and not the electorate of the entire state, for approval of increases in the ad valorem tax that may be needed for the drainage system and requiring the Sewerage and Water Board to obtain approval of the New Orleans electorate for drainage system bonds it proposes to issue. All issuance of bonds and the handling of revenues for bond service shall be monitored by the Board of Liquidation of City Debt.

During the discussion that ensued, Mr. Nolan stated, in his opinion, the Sewerage and Water Board would not get as much protection in the city charter as in the constitution. A copy of Mr. Nolan’s presentation is attached hereto and made a part of these minutes.

Senator Charles Smither was introduced by the chairman and expressed his support of the Sewerage and Water Board.

Senator Smither stated that there were no blights on the record of the Sewerage and Water Board. The Board has worked well and has kept New Orleans safe and sanitary. He felt that the main difference between appointed officials who are serving on the board and elected officials who will be serving if taken out of the Constitution, is that an elected official has the fear of whether he will or will not be re-elected; this official has to balance his decision between his total judgment and his political feelings. The Senator replied that he wants the Board to stay under the constitution because he believes there is more protection under the constitution than under the city charter.

Mr. L. F. Peters, representing the Professional Fire Fighters, was introduced. He stated that his organization has failed to pass legislation that would enable them to have the benefit of collective bargaining; however, they do have the benefit of going to the Louisiana Legislature and having it act as an arbitrator in matters of pay and working conditions. He also stated that his organization does not want the right to strike, but does want some assurance that they are going to have the right to negotiate with people and that these people will listen. It was Mr. Peters' opinion that if the legislature could not pass any laws relating to pay and working conditions of local employees, or if the laws they have already passed are declared unconstitutional, the cities could decide for example, that a retirement system was unnecessary. He urged that the committee seriously consider home rule proposals that would permit the
fire fighters and police officers to turn to the legislature as a "court of last resort". When asked if he was in favor of home rule, Mr. Peters stated that the legislature should be able to intervene in the matter of wages and working conditions. Mr. Peters was also asked if he thought an appropriate provision stating that if the legislature increases salaries on the local level that the legislature should provide the funding to pay for this salary increase, and he stated that the firefighters would not want to depend entirely upon state funds for increases in their salaries. It was suggested that if Mr. Peters has any alternate approach to the problems, that the Committee would be happy to have these further suggestions in writing.

Mr. Clarence Perez, President of the New Orleans Fire Fighter’s Association, was introduced and stated that "before 'absolute' home rule can ever become acceptable to the local and parochial employees of this State, we must have some alternatives to legislative appeal, such as a collective bargaining law, along with the right to negotiate for wages, hours, and other conditions of employment". Mr. Perez’s presentation is attached hereto and made a part of these minutes.

Ms. Elizabeth Rack, representing the League of Women Voters of New Orleans, asked that the committee consider the responsibility that should be given to the elected officials and that the committee read the League’s "Compilation of Support Positions for a New State Constitution" a copy of which is attached and made a part of these minutes.

The chairman introduced Ms. Joel Meyers who represented the Council for a New State Constitution. Ms. Meyers stated that the Council passed a resolution asking if it would be possible for them to appear before the committee at a later time to present its views. A copy of this resolution and a copy of the organizations present at the Council’s meeting are attached and made a part of these minutes.

Mr. Charles J. Eagan, Jr., Chairman of the Jefferson Parish Council; Mr. Eddie LaBrouyere, Financial Director, representing Mr. Thomas F. Donelon, President, Jefferson Parish Council; and Mr. Rudy Eason, Jefferson Parish Attorney, were introduced to represent the Parish of Jefferson. Mr. Eagan stated that Jefferson Parish was happy with their home rule charter form of government, and does not want any change in the constitutional provisions upon which it is based.

Mr. Bill White, the Mayor of Gretna, stated that he is definitely in favor of strong home rule.

Mayor Yenni of Kenner stated that Kenner has adopted a home rule charter form of government and feels that this is a step forward.

Mr. Huey Ponderstein, City Attorney of Kenner, also appeared in support of local home rule.

The chairman introduced Mr. Luke A. Petrovich, Commissioner of Public Safety, representing Plaquemines Parish. Mr. Petrovich stated that he wanted to endorse the approach to local government included in the Louisiana Law Institute draft. He also stated that Plaquemines Parish has a commission council form of government that has been in existence since 1961, and has effectively operated under this system.

Mr. Perez asked if there was anyone in the audience who wanted to be heard by the committee, and Mr. James Wayne, P. O. Box 294, Donaldsonville, Louisiana, was recognized and stated that he was hopeful that the committee would recognize the needs of the people in their deliberations as to what the structure of local government should be.

Having no further business to discuss, the committee recessed at 4:15 p.m. until the next morning at 9:00 a.m.

Those members present Saturday morning, March 10, 1973, were:


Mr. Perez welcomed all guests and introduced Mr. Wayne Collier, Executive Director of the Vieux Carre Commission in New Orleans. Mr. Collier stated the purpose of his appearance was to try to share with the committee some information about his agency, its purpose and its goals. The Vieux Carre Commission is a constitutional agency and because of the unique character of the Vieux Carre, the work of the Commission is not only important to the city and the state, but the nation as a whole. Mr. Collier stated that, in his opinion, taking the Vieux Carre Commission out of the constitution would impair its effectiveness.

The chairman introduced Mr. Marvin L. Lyons, Executive Director of the Louisiana Municipal Association. Mr. Lyons stated that the Association has previously made and reiterates the following constitutional recommendations:

1. Louisiana municipalities should be given broader authority to raise revenues locally to meet their own needs.
2. The Louisiana legislature should be prohibited from imposing financial obligations on municipalities without providing them with the additional revenues to meet such obligations.
3. Louisiana municipalities should be given broad home rule power.

Mr. Lyons elaborated on these recommendations in his presentation, a copy of which is attached and made a part of these
minutes. He also stated that although some groups thought the LMA was opposed to collective bargaining, they were not; and were, in fact, in the process of researching other state's legislation concerning collective bargaining. The LMA feels there is a forum for local employees to air their problems, and that local officials are responsive to the needs of their employees both from a business and political standpoint.

Mayor Warren J. Harang, Jr., City of Thibodaux, was introduced and stated in his presentation (a copy of which is attached and made a part of these minutes) that the City of Thibodaux has adopted a home rule charter and they strongly favor continuing home rule provisions in the constitution. The Mayor also stated that with reference to constitutional provisions concerning local government, he had the following convictions:

1. That strong home rule provisions and the Fordham plan be adopted.
2. That the people in the local governmental units be granted the power to approve all types of tax increases.
3. That the coordination and consolidation of local governmental units and agencies be provided for and encouraged.

Mr. Perez introduced Mr. C. Edward Karst, Mayor of Alexandria, and Mayor Karst suggested that the committee consider the possibility of ruling commission government in the State of Louisiana unconstitutional. The Mayor was asked what his feelings were in reference to home rule policy, and he stated that he is looking for the authority to handle his own responsibility.

The Honorable Wilson J. Moosa, Mayor of Eunice, was introduced and stated that his obligation is to all the citizens of Eunice. He feels there should be home rule so the people of a certain city can be governed the way they want to be governed.

Mr. Perez introduced Mr. Joe Keogh, City Attorney for the Parish of East Baton Rouge. Mr. Keogh, speaking for the

Honorable W. W. Dumas, stated that the people of East Baton Rouge Parish are happy with their form of government and believe it is a model for other forms of government. The only recommendation Mr. Keogh made was that in the future, there could be a consolidation of the parish and city council into one council.

Mr. Thomas Bickham, Administrative Coordinator, City of Shreveport, was introduced and also supported local self government.

Mayor Allen Daigre, City of New Iberia, stated that his city wanted the opportunity to run local government and use the finances the best way possible for the local people.

Mayor Jack Breaux, Mayor of Zachary appeared in support of local self government.

The chairman asked if there was anyone else in the audience that would like to be heard before the committee. Hearing no request, the committee decided to discuss subject matter to be considered at the next meeting. After considerable discussion, the following agenda was established for the meeting to be held on Monday, March 19, 1973, at 10:00 a.m. and Tuesday, March 20, 1973, at 9:00 a.m.

1. To consider police jury and other parish forms of government
2. To consider the organization and authority of ports and port commissions
3. To consider the organization and authority of levee districts
4. To consider other special districts

Mr. Conino offered a motion that definite dates for the April meetings be established for the ninth and tenth and the twenty-seventh and twenty-eighth. Without objection, the motion was adopted.

It was suggested that in order for the committee to move forward in its work, that a subcommittee be appointed to begin drafting of an article on local and parochial government. Following discussion, Mr. D'Gerolamo moved that the chairman be authorized to appoint a subcommittee to begin drafting an article on local and parochial government.

Without objection, the motion was adopted.

The chairman then appointed the following members to serve on the subcommittee: I. Jackson Burson, Chairman Edward J. D'Gerolamo Johnny Jackson, Jr. E. Gordon Keen Walter I. Larner, Jr. Mary Iervigton

There being no further business to come before the committee, the chairman declared the meeting adjourned at 12:45 p.m.

Chairman Perez, Chairman R. Gordon Keen, Secretary

REMARKS TO THE COMMITTEE ON LOCAL AND PAROCHIAL GOVERNMENT CONSTITUTION CONVENTION '73

In the General Election of November 1970, February 1972 and November 1972 a total of 95 amendments were submitted to the people of Louisiana. 28, or almost one third, were amendments dealing with the City of New Orleans or other governmental units operating wholly in the Parish of Orleans.

Your committee definitely plans to study 211 sections of the 1921 Constitution, those listed in Exhibit A. Of these, 94, or very nearly half, refer to New Orleans or Orleans Parish.

You may, in addition, study 33 provisions listed in Exhibit B. Of these 20, or almost two thirds, refer to New Orleans or Orleans Parish.
Omitting those provisions which refer to the City in outlining districts for Senators, House members, Public Service Commission members and Supreme Court members, there are 17 other sections of the Constitution referring to New Orleans or Orleans Parish.

As you can see, New Orleans, its institutions, such as Tulane University, its school system, the Orlov City Debt, and many other aspects of its operations, are very much a part of the Constitution of 1921. This committee does not have the time to examine how the limitations and prohibitions of these Constitutional provisions. What is more, I must confess that I would not know how to do so even were I so inclined. I do not know exactly how they affect the City. Nor have I come to you today with a model of a governmental organization to show the City. Because of the limited time I have had to prepare these remarks, and the limited time you have to hear them, I will speak to you in very general terms.

There may have been some reason to treat New Orleans as a peculiar animal between the turn of the century and World War II. A further reason was support for some of the public institutions lived in rural areas. There were no subtractions. Transportation was poor and mass communication as we know it today did not exist. Many country legislatures and governing bodies visited those agencies and anything associated with it. New Orleans was the place of sin and machine politicians. Their fingerprints are all over its Constitution.

New Orleans was indeed a very distinctive place within the state, and perhaps some special laws were needed. A Civil Service system, for example, may be very necessary in a city with a large number of full time employees. If Civil Service for large cities is a valid concept it should be required for every political subdivision over 350,000 population, not only for New Orleans. Is there any reason for the registrar in New Orleans to be required by the Constitution to purge the rolls every two years, when the registrars of 63 other parishes conduct a purge every four years? Why must a New Orleans Parish agent report the name of every citizen of another parish receive them automatically?

Things have changed. The literacy level of the citizens of New Orleans is much higher than it was in 1921. We now have PAR, BOR, League of Women Voters, many more organizations giving public information on candidates and issues. Through television a voter can get a feeling about a candidate before election day and of about his sincerity. Under the fairness doctrine, television stations are required to give all points of view on an issue.

There is one more major change that I want to mention. In 1921 the only real way to protect an agency in New Orleans from tampering by public officials or change during a temporary period of unpopularity among the people was to insert it into the Constitution. This is no longer the case. In 1954 the people of New Orleans adopted a City Charter. This Charter has been very successful in protecting the City from unnecessary or frivolous change. Since 1954 the Louisiana Constitution has been amended 210 times. The City Charter of New Orleans has not been amended at all.

New Orleans wants what every parish and municipality in the State wants: maximum home rule. The people of New Orleans need control over their own affairs. They can do this through the New Orleans City Council, which meets once a week right in the center of town. Or they can control their own affairs through local referenda. When citizens of New Orleans seek to make changes in their way of doing things, or to stop practices that have gone on for years, how much better for them to deal with elected officials from Orleans Parish only, or in a referendum of the voters in Orleans Parish only.

I hope that you will draw a local government article that will provide maximum home rule, that will have flexibility to meet changing times, that will have responsibility clearly, that will insure responsiveness of governmental agencies to the people.

Let me expand upon each of these. First, granting of maximum home rule would allow the citizens of New Orleans to be made by the voters of New Orleans. Please consider seriously granting to local governments all powers not specifically denied them. Of course, there must be safeguards. The City Charter requirement that an ordinance lie over at least one week before final consideration by the City Council insures that there will be public debate before issues are decided in the City. And of course a Charter amendment would be needed to change the structure of the government of New Orleans. You may also want to specify any bond issues and tax raises must be submitted to the people by parish and municipal governments. You may want to set limits on bonded indebtedness. You may want to reserve to the state some functions which are clearly regional in character or statewide in aspect, but I hope that there will be very few such reservations. For example, mosquito abatement is a regional function: I hope you provide a means by which several parishes could agree to provide a regional district without consent of the legislature and entirely without the consent of the voters in the other parishes.

We need flexibility to enable us to plan for the future and meet the challenge of change and changing times. To provide flexibility you must write that basic document we all say we want. Details and provisions keep the basic plan from functioning. To make the product of the Convention really worthwhile, you really must remove excessive detail and specifications from the Constitution.

Governmental structures must be debated so that responsi-bility can be fixed clearly. Separation of the functions of local government must be as simple and logical as possible. Here you may want to make some changes. In 1921 the population of the City of New Orleans was 387,219. Jefferson had 21,563 residents and St. Bernard, 4,968. For all intents and purposes, all industry and commerce in the area were within Orleans Parish. At that time the Dock Board and the Police Jury operated within the Parish and there was no need to structure them to any regional needs. By 1975 the population in Jefferson and St. Bernard Parishes had increased more than tenfold. At that time neither the Dock Board nor the Police Jury were able to deal with the problems of their own area. The Dock Board was meeting the needs of the northern portion of the Parish, not the southern. So governmental unit must be allowed to restructure themselves on a regional basis.

No government body or subdivision of the state should be allowed to increase its expenses of another without providing funds sufficient to meet the new expenses. To do otherwise is an example of the Orleans Parish Prison. The Orleans Parish Criminal Sheriff, who must administer the prison, has no financial resources. The Mayor and Council City of the New Orleans must provide funding for the Prison but have no voice in policy. We must establish a governmental framework that allows the voters to see clearly where the buck stops.

And you must make every attempt to insure the responsibility of government officials to the people. There is middle ground between leaving every agency of government open to destruction or crippling on the one hand or a system of elected officials on the other. The law and City Council of the City of New Orleans must provide funding for the Prison but have no voice in policy. We must establish a governmental framework that allows the voters to see clearly where the buck stops.

word “flexibility” is a cover word for abolishing every board and commission in the state. If you omit an agency from the draft of the new constitution that agency will automatically abolished. Not necessarily. An agency may be abolished if you wish. But there should be some flexibility. The legislature may insert the agency into the statutes. The City Council may submit to the people a proposal to insert the agency into the City Charter. Or the Council may ordain them. The City Charter can amend itself by a two-thirds vote of the governing body, this can continue. The Department of City Welfare, the Parish Office, the New Orleans Public Library and the Parkway & Parks Commission are all run by such boards. These boards do hiring and firing, approve expenditures and set policy.

Or there might be inserted an Advisory Board. Such a board would not run the agency, but rather would be available to give needed advice. Or an agency could be established as a city department with no citizen board, as are Sanitation, Streets, Fire and Police.

If you are extremely worried about finances of the agency involved, the City Council could dedicate revenues to the agency, and then make sure that agency cannot be abolished. I hope that such would not happen, but at least it would be under the control of the citizens of Orleans Parish or a Charter Commission if necessary, without submitting it to voters of the entire state.

I know that you will be extremely cautious so that during the transition period there will not be chaos, and the rights of all citizens as well as the bond holders will be preserved.

Thank you very much for serving as delegates to this Convention. You have a tremendous job ahead of you. If we can be of any help to you, just let us know.

And good luck to you!
The 13-member Sewerage and Water Board is composed of the Mayor of New Orleans, who serves as its President; the two at-large members are elected at-large by the people; and an ex-officio member selected by the Council. Seven New Orleans citizen taxpayers appointed by the Mayor and five members of the City's four councilmatic districts and the two Congressional Districts lying within the City, namely the First and Second Congressional Districts Board members, are appointed by the Board of Liquidation, City Debt, appointed by the Board of Liquidation, City Debt.

The Sewerage and Water Board, a constitutional agency, operates three separate and distinct public utility systems for the benefit of the people of New Orleans. These are the sewerage, water, and drainage systems. Operations, maintenance, and construction costs for the power system are proportioned among the three primary utilities.

The state Constitution now provides that the Sewerage and Water Board, with a logical and orderly method of financing both its operating and capital improvement needs without interfering with similar needs of the New Orleans City government.

Costs of operating and maintaining the sewerage system and providing for improvements to the system are recovered by fair and equitable sewerage and water rates as fixed and approved by those who use the system and thereby benefit from it.

Water system costs are similarly recovered by fixed fair and equitable water rates based on the amount of water that is used by individuals and businesses.

Revenue for the drainage system is derived from a 3-mill property tax, because the principal beneficiaries of drainage are the owners of property.

None of the three systems can use the revenues of the others for any purpose. The legal requirement that each of the three systems be self-sufficient and financially independent of one another makes possible an accurate apportionment of their respective revenue needs as they relate to their actual costs. It also determines the extent to which bonds can be issued and the amount of each to effect needed capital improvements.

This, basically, is a very good financing system inasmuch as actual costs are recovered, in the case of the sewerage and water utilities, from users to a degree commensurate with their ability to pay, and, in the case of the drainage system at valuations on the principal beneficiaries of the system.

Keeping in mind this neat and orderly financing method, please consider what apparently is the principal argument of the City Council for abolition of the Sewerage and Water Board and converting it into a city department.

In its February 22nd resolution, the City Council stated that the Sewerage and Water Board "is a separate constitutional agency, occupying a unique and profound status which it is not obliged to compete for public funds with other vital city departments such as Police, Fire, Health, Sanitation, etc., at the time of regularly scheduled budget hearings for this purpose."

Does this mean that the City Council believes that sewerage, water, and drainage revenues provided by users and beneficiaries of the sewerage, water, and drainage systems should be diverted as the Council sees fit to various city departments?

Does the City Council actually believe, as its resolution strongly implies, that the proper financing of Sewerage and Water Board operations as provided for by the Constitution is a detriment to various city departments because the Board does not "compete" with them for funds collected specifically for their benefit and not that of the Board?

Does the City Council believe that the Sewerage and Water Board is not in the best interests of the people of Greater New Orleans because of the operation by operating a separate rate share of revenues accruing to the City of New Orleans, when those revenues are not now adequate to meet the needs of most city departments?

Does the City Council believe that placing Sewerage and Water Board revenues, which even the Council admits are not adequate for Sewerage and Water Board purposes, in a common pot for distribution to all city departments will improve the city's capability to finance other city needs?

The City Council's proposal to abolish the Sewerage and Water Board would, in effect, reduce the City of New Orleans' ability to control the city's water and sewerage rates, which it has chosen to oppose vociferously apparently because of political considerations despite the obvious need for rate adjustments and their inevitability.

Its proposal might have some justification if the Sewerage and Water Board had not lived up to its responsibilities to the people of Greater New Orleans as defined by the Constitution and by the people of New Orleans. However, it could be otherwise if, in the opinion of the Council, the Board is incapable of exercising it as a willing and able partner in the administration of the city's water and sewage systems.

The fact is that New Orleans today has, solely because of the Sewerage and Water Board, an abundant supply of pure water for general use and fire protection, a soundly-engineered drainage system that has attracted widespread attention and praise, and a sanitary sewage system that has improved the city's health.

The fact is that for 178 years from the founding of the city in 1718 to the 1890-1903 period in which the Sewerage and Water Board was established, the city government demonstrated its inability to cope with the needs of the city for water, sewerage, and drainage. This ineffectiveness resulted in widespread disease, sufferings, and discomfort and stilled the ability of the city to grow and prosper.

New Orleans is today a modern, healthy, well-drained city instead of an unhealthy, mosquito-infested community because of water, sewerage and drainage programs developed and carried out by the Sewerage and Water Board over a period of some 70 years.

Throughout its existence, the Sewerage and Water Board has discharged its responsibilities to the people of this city with integrity and dignity and without a breach of trust to pay for extensive accomplishments. Blessed with strong leadership, it has been a non-political agency that has always been a hotbed of political patronage even before the days of civil service, because it is composed of people, errors of judgment, of course, have occurred, but these have been rectified when discovered.

Actually, the belief that the Sewerage and Water Board should operate with a pro rata share of revenues accruing to the City of New Orleans, which are not now adequate to meet the needs of most city departments, is unrealistic and impractical. Further, it fails to recognize that the Sewerage and Water Board is independent within the state Constitution the proper methodology for financing Sewerage and Water Board operations.

The Sewerage and Water Board from complete reliance on City Fund to the Constitution after the 1935 Inception of the Board. This provision was included because the frauds of the enabling legislation and the Water Board legislation recognized that the city government in 178 years of highhands effort has been unable to provide even a semblance of adequate water, sewerage and drainage services for the community.

This concept was additionally recognized by legislators in 1966, and continues in the voters of Louisiana when they approved the three constitutional amendments. The legal provision specifically stated that the intent was to relieve the city of the onerous burden of providing city water, city sewerage, and city drainage services for the community.

The reorganization amendments were endorsed by the then City Council because their adoption meant that the City of New Orleans henceforth would be relieved of the obligation to reimburse annually the Sewerage and Water Board for costs incurred in operating and maintaining the drainage system that had been constructed by the Board. The City Council adopted the amendment because it was finding it increasingly difficult to allocate city funds to drainage operations.

The drainage system is critically and dangerously underfunded. One important reason being that the Sewerage and Water Board since 1940 has been paying operating and maintenance costs formerly borne by the City and now amounting to almost $3 million a year although it has not been the beneficiary of any additional drainage service revenue. Assistance by the Sewerage and Water Board to increase the existing 3 mills allocated to drainage in recent constitutional amendment elections failed due to the many events which were happening at that time and which caused the voters of the State of Louisiana to reject any other worthy amendments.

How can the City Council, if the Board becomes a city department, hope to provide the drainage system with substantial additional funds which are necessary to maintain its integrity. The City is highly vulnerable because the only funds available to pay for drainage operation and maintenance expenses, much less for the extension and improvement of the system and replacement of New Orleans' long obsolete sewers.

If Sewerage and Water Board funds, which even the City Council admits are inadequate, are transferred to the City, would it be proper to vest in the newly created city authority to allocate a portion of these funds that are now dedicated to vital sewage, water and drainage operations? Would any other city departments should the Council determine its public policy to be able to do so?

The City Council, apparently unable or unwilling to understand the Constitution-imposed Sewerage and Water Board funding system, has imposed an additional charge on the City area to allocate a portion of those funds that are now dedicated to vital sewage, water and drainage operations. Would this require 100% of the $50 million of construction and more than $3 million annually for operating purposes could be financed.

The City Council's inaction, based not on evidence that the proposed rates were incorrect or improper but rather that they would impose a burden on citizens, resulted in the imposition of a charge against the City of New Orleans by the federal Environmental Protection Agency, the enforcing arm of the Federal Government under the Federal Water Pollution Control Act.

These sanctions were lifted in 1972 after the City Council devised a scheme whereby the City of New Orleans would contribute $2,950,000 to the Sewerage and Water Board to make possible a start
in 1973 on the project to complete the East Bank Sewage Treatment Plant and thereby satisfy the Environmental Protection Agency's requirements.

The Sewerage and Water Board did not seek this City grant, but made it clear to the City Council both prior to and upon acceptance of the city funds that an increase in sewage service charges was not being eliminated but only being delayed. The announcement at the February 24, 1973, meeting of the Board that its consultants had determined that a rate increase effective July 1, 1974, would be necessary apparently precipitated the City Council's proposal that the Sewerage and Water Board be abolished and made a city department.

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The need for increased sewage service charges to finance the costly sewage treatment program that state and federal law requires has been universally acknowledged by all who have made either cursory or detailed studies of the matter. This need has been recognized in the news media and numerous private and public agencies and organizations. The Board’s professional consultants were occupied for more than a year in studies leading to a determination of fair and equitable rates to finance the program.

I have intentionally gone into some detail on the matter of water and sewage service charges to provide the background and the need for the proposed rate increases.

The people of Louisiana, on the one hand, have given the Board a constitutional mandate to finance New Orleans sewage and water services by assessing user charges to recover actual costs and to finance the drainage system through ad valorem taxation.

The City Council, on the other hand, has chosen to deny the Sewerage and Water Board its constitutional right to assess higher water and sewage charges in the face of the fact that after almost two years of deliberations and seven public hearings it has not been able to demonstrate that evidence that the proposed rates were defective or not needed.

The City Council has demonstrated that it cannot objectively consider rate increases, irrespective of proven needs, because they fear the political consequences.

I would respectfully suggest to the Louisiana Constitutional Convention delegates, in their determination of the form that the Sewerage and Water Board will have in the new Constitution, to consider the following proposals as an alternative to what the City Council proposes:

1. Retention of the Sewerage and Water Board as an agency independent of City government and with the Board furnishing to it, in providing the City with essential sewage, water and drainage services.

2. Establishment of a composition for the Board similar to that of a state government but which has as its members selected by the Mayor and members of the Board of Liquidation, City Debt.

3. Clarify the presently ambiguous language of the Constitution which gives the Sewerage and Water Board the right to fix water and sewage rates but requires the City Council and Board of Liquidation approval, by clearly providing that the Sewerage and Water Board may approve the right, after public hearings, to fix rates subject to approval of the Board of Liquidation, City Debt, but not that of the City Council.

4. The Board of Liquidation, City Debt to issue revenue bonds backed by the revenue of the sewage charges for capital improvements to the water and sewage systems, respectively. Further, the Board of Liquidation, City Debt should be directed to monitor all bond funds so as to assure that all bond covenants are kept and to perform necessary steps to issue and sell these bonds in the open market.

5. The Authority of the Sewerage and Water Board to go only to voters of New Orleans, and not the electorate of the entire state, for approval of increases in the ad valorem tax that may be needed for the drainage system and requiring the Sewerage and Water Board to obtain approval of the Board of Liquidation for drainage system bonds it proposes to issue. All issuance of bonds and the handling of revenues for bond service shall be monitored by the Board of Liquidation, City Debt.

The Board of Liquidation, City Debt would have the Sole Power to approve all sewage service increases, the Board of Liquidation, City Debt would have the Sole Power to approve all sewage service increases, the Board of Liquidation, City Debt would have the Sole Power to approve all sewage service increases.

In essence, it is my suggestion that the delegates to the Louisiana Constitutional Convention direct their attention toward strengthening the powers of the City Council and Board as basically a non-political agency and with emphasis on citizen input and involvement. The services it performs are too vital, literally to the very existence of New Orleans to allow its functions to become subject to the whims of political expediency.

How politically-inspired interference by the City Council in Sewerage and Water Board affairs can work to the detriment of the people of New Orleans can be illustrated by two or three recent instances.

The City Council has proclaimed to New Orleans citizens that it asserted an increase in rates by appropriating $2,750,000 of City funds to the Sewerage and Water Board's treatment plant program, while ignoring the fact well-known to it that a rate increase was inevitable because the Board, itself, had committed itself by its action to such an increase.

The Council allegedly the Sewerage and Water Board is unresponsive to the public’s needs, yet the Council itself is guilty of unresponsiveness because rates that were accumulated for important City projects to a Sewerage and Water Board project which by law the Sewerage and Water Board can itself finance with a proper rate structure.

Opposition on the City Council almost blocked an insignificant water quality control charge authorized by the State Legislature, which meant a 32 per cent, or $1,350,000 saving to New Orleans taxpayers for construction of the West Bank Sewage Treatment Plant. The measure was finally approved by a mere 4 to 3 margin.

The City Council’s refusal to approve in January, 1973, a minimum water rate increase necessary to meet the bonded debt coverage of the water system and to satisfy the capital demands of water facilities, forced the Board to act unilaterally on the matter to avert damage to the faith and credit not only of the City but of the City of New Orleans. As a result, the Board was confronted with a law suit which is restricting its efforts to provide needed water facilities and services for the people of New Orleans. Among projects being affected are an additional raw water intake and supplemental water treatment plant which are needed to avert a major catastrophe should the existing water intake be damaged. The Board was also faced with the problem of a new Water Pollution Plant to be completed partially or totally inoperative.

The Sewerage and Water Board in fact is and always has been responsive to the public’s needs. Its appointed members are citizens dedicated to the good of their city who serve without pay out of a desire for public service without consideration of personal gain. These men are elected by both for their talents and civic consciousness. They have included businessmen, engineers, lawyers, laborers, investment men, and other professionals. The Sewerage and Water Board, as a city department, would be deprived of the diverse expertise these men lend to the complex operations of the Board if this Board were abolished. Yet the cost to the public for having this widespread experience serving it amounted in 1972 to only 136 dollars, all of which was for reimbursement of out-of-pocket expenses.

The Board includes its membership four elected officials ----the Mayor of New Orleans and three City Councilmen. It can be readily seen there is no dearth of public representation on the Board. The Board of Liquidation, City Debt, members two in number enjoy full membership participation on the Sewerage and Water Board with a particular interest in safeguarding the financial integrity of the Board and, in fact, the city itself.

The Sewerage and Water Board was established to provide water, drainage and sewage and because of conditions peculiar to New Orleans, are essential to its very existence, and this fact cannot be compromised. It has done, and is doing, what it was created to do with an excellent record of accomplishment and continuing service to the citizens of New Orleans. It would be a tragic error to consider its abolition in any proposals to the electorate of Louisiana in the draft of a new constitution at this date.

I would appreciate if you will permit me to stay in close contact with this committee and I will remain readily available to furnish to you my views on the matter under discussion.

Sincerely,

[Signature]

William H. Halen

City Councilman

The Sewerage and Water Board was established to provide water, drainage and sewage and because of conditions peculiar to New Orleans, are essential to its very existence, and this fact cannot be compromised. It has done, and is doing, what it was created to do with an excellent record of accomplishment and continuing service to the citizens of New Orleans. It would be a tragic error to consider its abolition in any proposals to the electorate of Louisiana in the draft of a new constitution at this date.

I would appreciate if you will permit me to stay in close contact with this committee and I will remain readily available to furnish to you my views on the matter under discussion.
Dear Mr. Tarner:

The Local and parochial employees of the State of Louisiana are in agreement on your understanding of our problem. This letter is in response to the request of the Fire Fighters of New Orleans in particular, specifically public employees interested in the same.

We are deeply concerned with the possible impact on public employees if the concept of "absolute" home rule is made binding on police departmental officials. Local autonomy should be granted to local governments, but should not come at the expense of the citizens of the State who provide the funding of the local government. We believe in home rule, protection for public employees. There is no question that public employees have less need for legislative protection than do public employees in other States.

In some States, where legislative protection does not exist, some Fire Fighters still work sixty hours per week for less than three hundred dollars per month. The Louisiana Legislature has provided that the Fire Department is to be non-profitable. Under the concept of "absolute" home rule, local Police Departments would be able to fix their own hours, exercise minimal hours law, minimum retirement benefits, and what little other protection the Legislature has provided would be done so by rule. The dual role of underwriting Fire is, 600, and Police could be materialized. Any local officials, unquestionably, had local officials been capable of fair and just rule over their employees in the past, there would have been no need for the Legislature to provide minimal protection.

If "absolute" home rule ever comes to pass, we will all be in the same predicament that black people and other minorities were in under the slave society. There will be no appeal to the courts of the State or Federal government. We are constituents of legislators, just as we are constituents of City Officials. Our Legislators are our voice in the State government. If that voice is silenced in our behalf, we would be deprived of our right to democratic government. We would be denied the incentive to participate in the political process. We do not presently enjoy the same rights and protection as working people outside public employment. Don't take away the only avenue we have for the redress of our legitimate grievances.

Before "absolute" home rule can ever become acceptable to the local and parochial employees of this State, we must have some alternative to legislative appeal, such as a collective bargaining law, along with the right to negotiate for wages, hours, and other conditions of employment. There must be a reciprocal obligation imposed upon our City officials to bargain in good faith to a just conclusion.

2

Anticipating your favorable consideration of an urgent appeal for justice, I remain,

Sincerely,


[Signature]

G'ty 9/16


THE LEAGUE OF WOMEN VOTERS OF NEW ORLEANS

1636 TOLEDANO STREET, SUITE 301
NEW ORLEANS, LOUISIANA 70112

893-2863

MARCH, 1973

COMPILATION OF SUPPORT POSITIONS FOR A NEW STATE CONSTITUTION

In the 1960's, the League of Women Voters of New Orleans was formed for the pur-
The League of Women Voters of New Orleans supports positions, state constitution
Page 3
b. Local ordinances or executive orders setting forth a labor-management relations policy for city employees and establishing orderly procedure for administering the policy and dealing with disputes.

9.) Judicial Handling of Family Matters

Section 1002.3, Fla. Stat., was signed by the Governor of the State of Florida on October 6, 1970.

The following major changes included in the Florida Family Code take effect on January 1, 1971:

a. Carryover of domestic relations cases from one year to the next, subject to the filing of a notice of continuance.

b. Establishment of a child support program, which includes the appointment of a guardian ad litem for the benefit of the child.

c. Provision for the termination of the child support obligation through the issuance of a termination order by the court.

The Florida Family Code provides for the appointment of a guardian ad litem in cases involving children, and includes provisions for the appointment of a referee to determine the amount of child support. The code also includes provisions for the determination of paternity and the establishment of a child support program. The code is designed to provide for the welfare of the child and to ensure that the child support obligations are carried out.

Council for a New State Constitution

The 53 member organizations and 8 committees of the Council for a New State Constitution, submitted the following statement of position to the Committee on Local and Parochial Government of the Constitutional Convention:

WHEREAS, THE CONTENT OF THE CONSTITUTION OF THIS STATE HAS MORE THAN ONE THIRD DEPORTED TO THE CITY OF NEW ORLEANS BOTH WHEREIN IT IS SPECIFICALLY EXCLUDED, AS WELL AS WHERE IT IS EXPRESSLY EXCLUDED, AND

WHEREAS, THE GREATER METROPOLITAN NEW ORLEANS AREA CONSTITUTES NEARBY ONE THIRD OF THE TOTAL POPULATION OF THIS STATE, AND

WHEREAS, SINCE THE YEAR 1921, DRAMATIC CHANGES HAVE OCCURRED IN THE ECONOMY OF THE CITY OF NEW ORLEANS AND IN THE REDISTRIBUTION OF ITS POPULATION AND CORRESPONDING NEEDS OF ITS CITIZENS AND SOURCES OF REVENUE, AND

UPON NOTION DULL MADE AND UNANIMOUSLY CARRIED, IT WAS RESOLVED THAT BRIEFLY NOTIFICATION OF THE SCHEDULED MEETING OF FRIDAY, MARCH 24, 1973, AT 10:00 A.M. AS THE VERY FIRST ITEM ON THIS COMMITTEE'S AGENDA MAKES IT IMPOSSIBLE FOR MANY INTERESTED ORGANIZATIONS AND PEOPLE TO TESTIFY AND THEREFORE OFFER AS IN PUT VITAL TESTIMONY FOR CONSIDERATION, AND

UPON NOTION DULL MADE AND UNANIMOUSLY CARRIED, IT WAS FURTHER RESOLVED THAT THIS COMMITTEE AFFORD INTERESTED PERSONS AND ORGANIZATIONS A SUBSEQUENT HEARING WITH GENERAL NOTICE AND PUBLIC ANNOUNCEMENT IN ALL MEDIA, TO BE HELD IN THE MIDDLE OF APRIL.

LIST OF ORGANIZATIONS PRESENT AT 2/19/73 MEETING
COUNCIL OF A NEW STATE CONSTITUTION

1. ATO
2. League of Women Voters - Orleans
3. League of Women Voters - Jefferson
4. N.O. Coalition
5. Fifth Homes
6. Fisher Tenants Council
7. Orleans Audubon Society
8. Harrison Civic & Improvement Assoc.
9. Republican Party - N.O.
10. Metropolitan Crime Commission
11. MIST
12. United Teachers of N.O.
13. ACIL
14. Chamber of Commerce
15. Lafitte Improvement Council
16. Junior League
17. Civic Council of N.O.
18. Innovative Education Committee
19. Lafayette Property Owners' Assoc.
20. Citizens for Democratic Action
21. Orleans Parish Democratic Exec. Committee
22. Black Women's Caucus
23. Orleans Parish School Board
24. Goals to Grow
25. JAYCEES
26. Federation of Churches
27. Vieux Carre Property Owners' Assoc.
28. Broadmoor Improvement Assoc.
29. Council for Jewish Woman
30. 9th Ward Voters League
31. CIA
32. Ecology Center
33. N.O.M.
34. N.O. Area Health Planning Council
35. La. Chapter, National Assoc. of Social Workers
36. Citizens Voter Education Assoc.
37. LSUSO Young Democrats
38. Greater N.O. Property Owners' Assoc.
40. Alliance for Good Government
41. French Quarter Residents' Assoc.
42. Esplanade Improvement Assoc.
43. Common Cause
44. YMCA
45. Catholic Marian Relations Commission
46. Hollygrove Improvement Assoc.
47. COTC
48. Constitutional Legal Action Committee
49. LSUSO Alumni Assoc.

LOUISIANA MUNICIPAL ASSOCIATION
1204 Tchoupitoulas Street, New Orleans, Louisiana 70116

Mr. Marvin L. Lyons, Executive Director

Statement of

Mr. Marvin L. Lyons
Executive Director

on behalf of the

LOUISIANA MUNICIPAL ASSOCIATION

on

Constitutional Revision and Local Governments

for the

Committee on Local and Parochial Affairs

Louisiana Constitutional Convention, 1973

March 10, 1973

Mr. Chairman and Members of this Distinguished Committee:

I am Marvin L. Lyons, Executive Director of the Louisiana Municipal Association. I appreciate this opportunity to appear before you this morning to discuss the role of this Committee and its relationship to the municipal governments of our state.

Before going into that, however, let me briefly identify for you the organization I represent.

The Louisiana Municipal Association is a non-profit corporation, representing 296 member municipalities. The purpose of the Association is that of assisting the municipalities of this state, large and small, their elected municipal officials and administrative staffs in their efforts to adequately cope with growing problems...
of their communities. The Association maintains liaison with federal and state agencies having jurisdiction over municipal affairs with the Congress and with the State Legislature, and furnishes advice and counsel, where requested, to Louisiana municipalities on all aspects of municipal law and government.

We are sure that the members of this Committee already appreciate the role of municipal government in our modern urban society. However, we believe it appropriate to point out that not only does close to 70% of Louisiana's population live in municipal or urban areas, but that this large segment of our population daily looks to municipal government for most of their basic governmental services.

By way of example, municipal governments are mainly responsible today for local sanitation, and must through adequate garbage and trash pick-up and the development of sanitary sewage treatment facilities not only provide for present needs but the long range requirements for environmental improvement. In addition, the municipalities must furnish fire and police protection, street lighting, adequate traffic control devices and the many other facilities necessitated by the requirements of urban life. They are not only responsible for providing these services, they also have a potential legal liability for failure to do so.

Unfortunately, the current body of law under which our municipalities operate has all too often served to constrain local initiative and has prevented local officials from reacting more positively and more responsively to the problems of their communities. Much of this legal framework is embodied in our State Constitution and it is important to recognize that this document is more than 50 years old and was written when Louisiana was basically a rural state. Servicing a rural population, governmental, is a comparatively simple proposition. As noted above, Louisiana is no longer rural, but rather is almost three-quarters urban and servicing this population is a much more difficult and complex task.

For these reasons, the municipalities and other governmental units who have these local responsibilities must have broader authority and greater flexibility, and this broader authority and greater flexibility can only be achieved through constitutional change. The municipalities of this state have too long been considered mere creatures of the legislature, subject to general laws and, in some cases, special laws enacted by the legislature which bear upon purely local matters. The Louisiana courts in interpreting existing constitutional and statutory provisions, with the rare exception of the combined government in East Baton Rouge Parish and the Parish government in Jefferson Parish, have been unwilling to depart from the extended concept that municipalities are mere creatures of the legislature. We believe that this Committee has a rare opportunity to bring about true self government at the local level.

There has been handed to each member of the Committee a copy of the Louisiana Municipal Review of December 1971, which sets forth the total Louisiana Municipal Association legislative program based on a report of a special planning committee. In an effort to give municipalities broader authority and greater flexibility in dealing with local problems, the Association has previously made and reiterated here the following constitutional recommendations:

1. Louisiana municipalities should be given broader authority to raise revenues locally to meet their own needs.

Under the constitution of 1921, municipalities as well as the parishes are severely restricted in their capacity to raise revenues locally to meet local needs. For example, under Article XIV, Section 11 of the Constitution, the parishes are limited to a 4 mill ad valorem tax annually for general operating purposes; and under Article XIV, Section 12, municipalities generally are limited to 7 mills annually for general operating purposes, with larger municipalities having the right to levy additional 1 mill for police purposes.

The Association supports the approach adopted by the Committee of the Louisiana Law Institute, as well as the approach contained in the 1954 Project, which would give the municipalities the power and authority to levy taxes necessary for their local needs, subject to the right of the legislature to restrict the amount of the taxes which might be levied and to fix the conditions under which such taxes would be levied. This would take the limitations out of the Constitution, and thus avoid the necessity of future amendment, while, at the same time, granting to the legislature the authority to establish restrictions and conditions, where appropriate.

2. The Louisiana legislature should be prohibited from imposing financial obligations on municipalities without providing them with the additional revenues to meet such obligations.

There have been occasions where the legislature has, from time to time, added to the financial problems of the municipalities by imposing financial obligations on them without providing additional revenue with which to meet these obligations. One example is legislation which increases the minimum pay and provides other benefits to a specific group of municipal employees, without providing funds by which this may be done. The effect of such legislation is to impose not only an increased burden on limited municipal finances, but to create administrative problems which are bound to result, where one segment of municipal employees is singled out for favored treatment at the expense of others. Such legislation constitutes a perfect example of legislative interference in the operation of clearly local municipal affairs without the legislature having to assume responsibility for adverse effect on local governmental administration.

3. Louisiana municipalities should be given broad home rule power.

It was initially thought that the enactment of Article XIV, Section 40 of the Louisiana Constitution would result in broad home rule authority for Louisiana municipalities. However, judicial interpretations of these constitutional provisions has permitted continued legislative interference in purely local municipal matters so long as the legislature deals with such matters through the enactment of general laws. Broad home rule authority should, therefore, include a provision which makes it clear that the legislature does not have the authority to deal with matters of purely local concern by general law or otherwise.

This result has been largely achieved in the case of East Baton Rouge Parish and the City of Baton Rouge, under the provisions of Article XIV, Section 41 of the Constitution. This particular constitutional provision prohibits legislative action with regard to matters of "structure and organization" as distinguished from matters of substance, and these provisions, also contained in Article XIV, Section 41(a) relative to Jefferson Parish, have been interpreted by the Louisiana courts to prohibit the legislature from imposing minimum salary requirements upon the City of Baton Rouge or from enacting a separate firemen's pension system for firemen in the Parish of Jefferson. Under these circumstances, although the language of Article XIV, Section 41(a) should be broadened to cover all municipalities or an entirely new constitutional provision should be drafted which would insure that the Louisiana municipalities have full home rule authority to deal with matters of purely local concern, and that such matters are not subject to legislative encroachment even though the subject of general legislation.

Respectfully submitted,

Marvin L. Lyons, Executive Director
Louisiana Municipal Association

FROM: Mayor Warren L. Harang, Jr.
City of Thibodaux

TO: Committee on Local and Parochial Government
Louisiana Constitutional Convention of 1973

Mr. Chairman and members of the Local and Parochial Government Committee of the Louisiana Constitutional Convention. My name is Warren L. Harang, Jr., and I am the Mayor of the City of Thibodaux. I welcome this opportunity to appear before you this morning to discuss local government and the increasing problems that we are encountering daily in municipalities. I personally believe that we are in an increasingly difficult situation in local government because there is more and more pressure from the grass roots level to increase services to the people while at the same time there is more and more opposition to increased taxation by local government.

The people of the City of Thibodaux are vitally concerned with and aware of the need for flexibility in local government so that we can meet the needs of a rapidly growing and ever changing society. For years we have had a commission
form of government in the City of Thibodaux, which has increasingly created problems in enabling our municipal government to be fully responsive to the needs of our citizens. We have just recently adopted a home rule charter for the City of Thibodaux and its passage was approved by 66% of the votes cast. We have charged our government to a Mayor-Council form and we realize the need to have the necessary tools available to us in the future should the need to change again arise. In view of the fact that the City of Thibodaux has just adopted a home rule charter by an overwhelming vote of our citizens, you may correctly infer that we strongly favor continuing home rule provisions in our constitution.

I recognize that in a constitution we cannot solve all of the problems of local government, and for this reason I will confine my remarks to broad general areas which I feel can address themselves to constitutional concern. At the present time, our local government agencies are operating under specific grants of authority and unless we have the specific power to do something, then, of course, we can not. If a local problem arises in an area in which we have no authority, then we are unable to act until we secure legislation to aid us in doing our jobs. Even if we had broad general grants of authority, we would probably have confusion and questions as to who had the authority to do what and why. For these reasons I feel that local governmental units and in particular municipalities, should be given residual authority and power to handle such matters as specifically designated or prohibited by the charter of the local unit in question, by general state law, or by our new constitution. I believe that such a provision is called the Fordham plan. I feel that such a grant of authority would be the most consistent with the principles of true home rule, would bring the powers of government closer to the people, and would give local governments the needed flexibility to deal with modern problems.

With the advent of our recent population explosion and the refinement of our vast communications media and transportation systems, we now find it increasingly necessary to coordinate and cooperate with other governmental units and agencies on a multi-parish basis to perform necessary services for our people. This inter-governmental cooperation and coordination should be favored and authorized in our new constitution. For example, recently the City of Thibodaux has joined in organizing a drug abuse investigation unit consisting of the Cities of Thibodaux, Houma, and Kenner, and the Parishes of Lafourche, Assumption, St. Charles, St. James, St. John, and Jefferson. By joining in this cooperative effort, we are now able to provide law enforcement protection in the City of Thibodaux which we as a single governmental unit would not be able to provide or afford on our own. On the other hand, the City of Thibodaux is also the present time participating in a Regional Planning Commission which has been organized as a non-profit corporation. It is my understanding that we had to use this vehicle because there was no existing state law authorizing the formation of a governmental unit of this type. Yet, the formation of such a unit was necessary to coordinate federal funding and regional planning in a six parish area.

Along these lines, provisions should be made in our new constitution for the consolidation of local government units should the necessity arise. Of course this should only be one of the affirmative vote of the people to be affected by the consolidation. In the future, in some areas of our state, consolidation may be necessary to streamline government in a certain area and reduce its cost. The new constitution that we are discussing here today should make provisions for solving these problems of the future.

I would now like to discuss with you several problems which I understand may or may not come under the jurisdiction of this committee. These are in the fields of local finance, and taxation, and city courts. It is subsequently determined that another committee will handle these matters; then I respectfully request that my remarks concerning these be referred to the proper committees. With reference to local finance, I strongly feel that we should have a constitutional provision that requires that bond issues can be issued by local authorities and taxes increased or new taxes placed by local authorities only after the approval of a majority of the persons voting at a referendum called to authorize such action. The concern of people today about increased taxation is such that I think that the chances of the passage of a new constitution would be jeopardized without such a provision being denied.

A second problem in the field of finance is one of coordination between the state legislature and the local units. At the present time the state legislature can increase salaries, create jobs or place new financial burdens on local governments without coordinating the expenditures with the local agency. I would suggest to you a constitutional provision which would only allow the legislature to do this if such action were supported by a local enabling ordinance or if the legislature itself provides the funding for the expenditure.

I strongly recommend that the authorization for the creation of city courts be restated in our new constitution. In the city of Thibodaux the city court performs a very vital function which I feel is quite necessary for us to effectively provide certain services which need not be duplicative. This is especially true in our locality since we only have two district judges for Lafourche Parish. With a City Judge, we have an additional coordinating mechanism who is available to us for issuing affidavits and warrants for arrest and for issuing search warrants when needed by our city police. Many matters which need not necessarily clutter up the docket of the district court can be handled by the City Court on a local basis. Accordingly, it is my feeling that there is a great need for a City Court in our type of situation, and therefore I feel that the authority for the creation of such a court should be provided for.

In conclusion ladies and gentlemen, with reference to constitutional provisions containing local government I hold the following convictions:

1. Strong home rule provisions and the Fordham plan be adopted;
2. That the people in the local governmental units be granted the power to approve all types of tax increases; and
3. That the coordination and consolidation of local governmental units and agencies be provided for and encouraged.

Ladies and gentlemen I feel that in this manner we can return our government back to the people and make it responsive to their needs.

Thank you very much.

MINUTES

Minutes of the meeting on the Committee on Local and Parochial Government of the Constitutional Convention of 1973

Held pursuant to notice mailed by the Secretary of the Convention on Monday, March 26, 1973

Natural Resources Building, Mineral

Board Hearing Room, Baton Rouge, Louisiana

Monday, March 19, 1973, 10:00 a.m.

Tuesday, March 20, 1973, 9:00 a.m.

Presiding: Chalin O. Perez, Chairman of the Local and Parochial Government Committee

Present: Chalin O. Perez, Absent: I. Jackson Burson
Johnny Conino, Joseph G. Colten
Terry Reeves, H. M. Fowler
R. Gordon Keen, J. E. Stephenson
Harvey W. Cannon, Jr.
Ethan Chatelain
Edward D'Carolino
Joseph Ciarrusco, Sr.
George Dewey Hayes
Walter Lanier, Jr.
V. C. Shannon
Dorothy Mae Taylor
Joseph F. Toomy
Dr. Frank Uillo
Mary Zervigon

The Committee on Local and Parochial Government met on these days to consider police jury and other parish forms of government; to consider the organization and authority of ports and port commissions; the organization and authority of levee districts; and to consider other special districts.

The chairman called the meeting to order and welcomed the persons who were scheduled to testify before the committee and the general public.

Mr. Toomy suggested that the committee discuss a rule regarding rebuttal presentations. After considerable discussion, the committee delayed action until after lunch.

Mr. Jimmy Hayes, executive director of the Police Jury Association, was introduced and stated that the police jury represented a local government whose responsibilities have increased proportionally without much public awareness of this fact. Police juries provide road and drainage maintenance, maintenance for parish courthouses, jails, library service, and many provide a food stamp program.

He stated that when people move from the cities into the suburbs, they expect to receive the same municipal services as were provided by the municipality such as sewerage, drainage, and street lighting. Mr. Hayes recommended that the four mill limitation for general operating purchases presently in the constitution, be removed and that a pro-
vision be included in the new constitution giving police
juries authority to levy additional mills for this purpose,
by referendum, as needed to provide adequate services. He
commented that if police jurors are given the flexibility
they need, it will not only strengthen their capacity to
respond to local problems, but it would lessen the number
of bills submitted to the legislature.

The chairman commented that property owners are not
the only ones who vote on property taxes, but the general
electorate now votes on these tax levies, and this could
overburden the property owners. Mr. Hays was also
asked if he would prefer to see a specific provision in
the constitution which would provide a formula for the
division of the revenue sharing fund, instead of having
this depend on legislative action as is now the case.
Mr. Hays replied that he would like to see some fixed
formula developed for the distribution of these funds to
local government. The chairman stated that if there is a
provision in the constitution which grants the homestead
exemption without reimbursement of the tax which would
otherwise be collected from the exempt assessment, local
government could be in the position of having a constitu-
tional provision which exempts certain property from taxa-
tion, but at the same time does not guarantee that some
fund will be provided to make up for that which is taken
away.

Mr. Hays stated that the Police Jury Association is
looking forward to the incorporation of these provisions
into the constitution, and if this is done, "the police
jurors will give all the political muscle and support
possible to sell the new constitution."

Mr. Floyd Labarre, First Vice president of the Police
Juror Association from Assumption Parish, was introduced
and stated that he strongly recommends that the committee
give police jurors "as broad a power as it dare consider."
He also stated that the police jurors are not asking for
unlimited ability to tax property owners to run local
government, but the four mills allowed in the present
constitution is not sufficient.

Mr. Reagan Sutton, secretary-treasurer of the Lincoln
Parish Police Jury, was introduced and voiced his support
of the Police Jury Association’s position. He stated that
the police jurors are asking that the committee consider a
"recommendation of home rule on a much broader scope."

The chairman introduced Mr. Stanley L. Perry, divisional
Vice president of the Lafourche Parish Police Jury, who
made a detailed statement outlining his views of needed local
government authority. A copy of Mr. Perry’s presentation is
attached hereto and made a part of these minutes.

Mr. Louis Munster, member of the St. Bernard Parish
Police Jury, stated his concurrence with Mr. Hays to the
effect that the millage should be based upon what the local
people will approve.

Mr. Wilson Gauthreaux, member of the St. Mary Parish
Police Jury, was introduced and also requested that the
committee consider a provision under which police jurors
would have the privilege of levying a larger millage for
operational purposes.

The committee recessed at 12:30 for lunch, and recon-
vened at 1:30 p.m. to continue its business, and to
hear testimony from the witnesses who represented the
various ports and levee districts.

Chairman Perez stated that a motion by Mr. Toomey
was now on the floor, which reads as follows:

"Any rebuttals by individuals or groups who have previously pre-
vented their views in person to the committee shall submit further
arguments or rebuttals concerning such subject matter in writing to
the committee. Such individuals or groups, at the request of the
committee, may, however, express further views, arguments, or re-
buttals to the committee. The committee reserves the right to
limit the amount of time for presentation of such views, arguments,
or rebuttals. This proposal shall be effective until July 5, 1973."

Mr. Conino then offered the following substitute motion:

"Any rebuttals by individuals or groups who have previously presented
their views in person to the commit-
tee shall be given five minutes in
which to submit further oral argu-
ment ... effective until July 5,
1973."

After discussion, a question was called for by Mr. Keam
on the substitute motion and a roll call vote was taken.

| Burson (Absent) | Zervigon (Yea) |
| Cannon (Yea) | Reever (Yea) |
| Chatelain (Yea) | Keen (Nay) |
| Conino (Nay) | Jackson (Yea) |
| D’Orelamo (Yea) | Perez (Not Voting) |
| Fowler (Absent) | Colten (Absent) |
| Giarrusso (Nay) | Hayes (Nay) |
| Lanier (Nay) | Shannon (Nay) |
| Shannon (Nay) | Stephens (Absent) |
| Stephenson (Absent) | Taylor (Yea) |
| Toomey (Nay) | Ulic (Nay) |

There being 7 yeas and 8 nays, the chairman announced
that the substitute motion had failed.
Mr. Kean offered a motion to table the matter and leave it to the discretion of the committee as the matter is presented from time to time.

After the motion to table had failed, the question was called on the original motion by Mr. Toomy, and a roll call vote was taken as follows:


There being 12 Yea's and 2 Nays, the chairman announced that the motion had carried.

The chairman then recognized Mr. Edward Reed, executive director and general manager of the Board of Commissioners of the Port of New Orleans. Mr. Reed presented an overall picture of the jurisdiction, financial and authoritative status of the port and requested that certain portions of the present constitution dealing with the Port of New Orleans and to bonding authority, be preserved. Mr. Reed noted that the jurisdiction of the port includes the parishes of Orleans, Jefferson, and St. Bernard; and stated that because of the port’s constitutional status, the port has a better position in dealing with out-of-state agencies and a better bond rating in the investment market. He also stated that the present method of appointing the members of the dock board is a good one. The value of the fixed assets of the port at the present time is approximately $134,000,000 at cost. Mr. Reed agreed to submit to the committee a revised proposed constitutional provision omitting unnecessary or obsolete material, and including a formula to insure representation from the three parishes included within the stated jurisdiction of the port.

Mr. Perez then recognized Mr. Louis Munster, member of the St. Bernard Parish Police Jury, who addressed the committee concerning dock boards. Mr. Munster stated that St. Bernard has not been represented on the New Orleans Dock Board for more than 40 years; has not been a member of New Orleans Port Authority which is strictly a New Orleans based group. He submitted a resolution adopted by the police jury of St. Bernard at their regular meeting of March 13, 1973, a certified copy of which is attached hereto and made a part of these minutes.

The chairman then recognized Mr. Harvey Loumiet, Jr., who presented his remarks concerning the port of New Orleans. Mr. Loumiet gave a comparison of cargo handled by the ports of Gulfport, Houston and New Orleans, and stated that

"Gulfport is twice as efficient as our great port of New Orleans", and cited the major causes of this inefficiency as poor management by those responsible for the operation of the port. A copy of Mr. Loumiet’s complete presentation is attached. He further stated that the port of New Orleans should be removed from the Constitution and placed under the authority of the city of New Orleans. Mr. Loumiet suggested, that in order to assure a true regional port, the committee should include a requirement that no two men from one parish would serve on the Board of Commissioners.

The chairman introduced Mr. Charles Wall, former vice president of the New Orleans Chamber of Commerce, who spoke on behalf of the Jefferson Parish ports and dock boards. Mr. Wall elaborated on the composition of the port commission and stated that Jefferson Parish feels it should be free to protect its own interests in the future. He agreed to furnish the committee with written recommendations concerning proposed constitutional revision relating to the ports of New Orleans, Jefferson, and St. Bernard.

Representative Chris Ulio of District 84, West Jefferson, was introduced. He stated, "we in Jefferson have been neglected for many years", and as of March 6, 1973, West Bank no longer has freight differentials. Mr. Ulio also stated that Jefferson has no representation on the Board of Commissioners, and he does not feel the port facilities of New Orleans should be in the constitution. He asked the committee to make an in depth study into the port facilities of New Orleans; define the jurisdiction of the port; and consider giving Jefferson its own port facility. Mr. Ulio remarked that, at the present time, Jefferson does not have a plan for its own port facility; but if the port authority of New Orleans is retained in the constitution, Jefferson would also like to be included in the new constitution. He stated that he will submit a proposed recommendation on behalf of Jefferson Parish within 30 days.

Senator Francis E. Lauricella was recognized, and reported that he chairs a Joint Legislative Committee studying the composition of levee boards. This committee has taken some action, and has made certain recommendations to the convention in an interim report, copies of which were distributed to the members of the committee. The report of the Joint Legislative Committee on the Reorganization of
Levee Districts is attached hereto and made a part of these minutes.

The chairman then recognized Mr. Roy T. Sessums, Vice President of Freewater Sulphur Company, presently serving as a member of the Mississippi River Commission and a former director of the Louisiana Department of Public Works. Mr. Sessums stated that "the unique levee board setup in Louisiana has proven, over the years, to be the most effective method of handling levee construction and maintenance."

He also discussed the Uniform Relocation Assistance Act, which involved homeowners and business owners and their personal problems. Mr. Sessums earnestly recommended retaining authority for levee boards in the proposed constitution.

Mr. Charles W. Herbert, executive director of the Greater Baton Rouge Port Commission, was introduced, and advised the committee that the port operates as a private enterprise. There are ten members of the port commission who serve without pay and represent all of the parishes which compose the port district. He stated that the port has grown to be the third largest port in the Gulf, and seventh in the nation. The port commission requested that it remain in the constitution as presently provided; however, its powers should be enlarged to permit the acquisition of property in industrial purposes. Mr. Herbert stated that, because the commission is an executive department of the state and included in the constitution, it has an advantage in its business activities.

The chairman then introduced Mr. Stuart E. Creel, President of the South Louisiana Port Commission. A copy of Mr. Creel's presentation is attached.

Mr. Harvey Grant, executive director of the Lake Providence Port Commission, was recognized, and reported that the commission is also a part of the Executive Department of the state and has the full faith and credit of the state to the extent of $15,000,000 in bonds. Mr. Grant mentioned that there was one point the committee might consider that the Lake Providence Port Commission have legal jurisdiction over the entire parish of East Carroll with authority to prevent competing private operations, and in order to avoid legal problems under existing laws, that this right be specifically stated.

The chairman recognized Messrs. Bob McHale and Fred Benton, Sr., attorneys representing the Lake Charles Harbor and Terminal District. Mr. McHale advised that this district encompasses all of Ward 3, part of Ward 4 in Calcasieu Parish, and is the third largest port in the state. The port is financed from ad valorem taxes, and the board of commissioners sets the mileage rates as the need arises.

The Lake Charles Harbor and Terminal District is desirous of:

1. Keeping dedicated gasoline tax funds.
2. Keeping the method of nominating the Board of Commissioners as set forth in the constitution.
3. Keeping the general grant of authority set forth in the present constitution.

Mr. Vedon T. Smith, president of the Association of Levee Boards of Louisiana, did not appear before the committee but presented a written statement, a copy of which is attached and made a part of these minutes.

The committee recessed at 6:00 p.m.

The chairman called the meeting to order at 9:00 a.m.

Present: Chalin O. Perez 
I. Jackson Burson 
Joseph Doino 
Johnny Jackson 
Terry Reeves 
R. Gordon Keen 
Harvey W. Cannon, Jr. 
Joseph Girraruso, Sr. 
George Dewey Hayes 
Walter Lanier, Jr. 
V. C. Shannon 
J. R. Stephenson

Dorothy Mae Taylor 
Joseph F. Toony 
Dr. Frank Uillo 
Mary Zervigon

Absent: Ethan Chatelain 
Tom Colgan 
Edward D'OGEREAMO 
H. M. Fowler

Mrs. Zervigon moved that the minutes of the previous meeting, which were distributed to the committee members, be approved, and without objection, the minutes were adopted.

Major General Charles C. Noble, President, Mississippi River Commission, was introduced and explained the function of the commission and several of the Louisiana projects under its jurisdiction. General Noble's comments are set forth in the written presentation attached to these minutes. In summary, General Noble stated that the Louisiana levee boards work very closely with the Corps of Engineers, and Louisiana's levee board system is "the best I've seen anywhere."

Col. Richard Hunt, New Orleans district engineer, U. S. Corps of Engineers, stated that the Louisiana levee boards, with the cooperation of the district Corps of Engineer's office, provides the local protection for the levees. He stated that the reason the existing Louisiana system works so well is because the people involved are local people who know the local problems.

Mr. Hugh Myers, Department of Public Works, was introduced and recommended that the importance of flood control be recognized in the constitution. He stated that the Department of Public Works acts as consulting engineers.
to the levee districts, has excellent working relations with the levee boards, but the department's authority is extremely limited. Mr. Shannon stated that a committee of which he is a member, is making a study of the levee boards and the Department of Public Works, and a completed report will be available to the committee within 30 days.

Mr. Guy LeMieux, president of the Orleans Levee Board, was introduced. He stated that the Orleans Levee Board should be given some type of constitutional protection in order to function as a long-term capital improvement board and to protect its income. Mr. LeMieux recommended that the constitution grant the levee boards control of their own funds. He suggested that the mayor should have the appointive power on the board instead of the governor.

Mr. LeMieux explained that he would be in favor of a general provision in the constitution which set out, in general terms, such requirements as taxing power, how levee boards are formed, etc. The chairman asked if the attorneys of the board could prepare a proposed constitutional provision omitting the present provisions which might be put into statutory material, and also a proposed article that would accomplish the type of protection the board would need if removed from the constitution. Mr. LeMieux stated that these proposals would be submitted within 30 days.

Mr. Frank Merrick, vice president of the Atchafalaya Basin Levee District, was introduced, and requested the committee to “leave the function of the levee board in local hands, rather than be consolidated into or with another state agency.” He also requested that “present methods of appointing commissioners by the governor, upon recommendations of the local members of the legislature, continued”; and that the “Atchafalaya Levee District not be consolidated into local governing bodies.” A copy of Mr. Merrick’s presentation is attached to these minutes.

The chairman introduced Mr. Leonard Toups, president of the Bayou Lafourche Fresh Water District, and Mr. Charles J. LeBlanc, attorney for the district. Mr. LeBlanc presented the history and functions of the Bayou Lafourche Fresh Water District in a written presentation, a copy of which is attached hereto.

Messrs. Edward LaBruyere, financial director for Jefferson Parish; Eugene Morrell, special bond counsel for Jefferson Parish, were introduced. Mr. LaBruyere stated that Jefferson Parish has no objections to the removal of certain special Jefferson Parish districts from the constitution. Mr. Morrell stated that the following provisions could be removed from the constitution: Article X, Section 10; Article XIV, Section 31.1; Article XIV, Section 38; Article XIV, Section 43; Article XIV, Section 29A, and Article XIV, Section 3(c).

However, Mr. Morrell asked that Article VI, Section 22(g) remain in the constitution because it is a continuing process. He explained that a strong, general provision authorizing the issuance of bonds would suffice. He stated that he would submit a written proposal stating what provisions

Jefferson Parish wanted to delete and retain in the constitution to the committee within 30 days.

Mr. Eugene A. Young, superintendent, Recreation and Park Commission for the parish of East Baton Rouge, was introduced. Mr. Young proposed that under any revision of Article XIV of Louisiana’s Constitution, the Recreation and Park Commission be retained in the constitution in the interest of governmental efficiency and economy and otherwise providing special taxing powers. His reasons for retaining the commission in the constitution are detailed in a copy of his presentation which is attached hereto and made a part of these minutes. Mr. Young stated that the commission is not opposed to changes in the constitution, but does not feel it should be removed; however, Mr. Burson stated that the committee is trying to move toward a composition of such districts so that the people of the entire state would not have to vote on the activities of those special districts.

Mr. Raymond Oliver, state fire marshal, appeared in rebuttal of the previous testimony of the Vieux Carre Commission. Mr. Oliver stated that he is interested in the preservation of history, but his number one concern is the safety and welfare of the people who are entering the buildings he has condemned. He explained that before a building is condemned, it is first certified by a licensed engineer. Mr. Oliver appealed to the committee to allow the fire marshal to continue to exercise necessary control in determining the safety of these historic sites.

For the meeting of April 9 and 10, the following agenda was approved: Consideration of public debt and general financing obligations; intergovernmental relations and consolidation of governmental units; zoning; and if possible, revenue sharing. Mr. Lanier was appointed to invite various people with expertise in the area of bonds from within and without the state in order that the committee could receive testimony on this particular subject matter. Mr. Reeves was appointed to invite people with expertise to appear and offer testimony on the subject of consolidation of government and intergovernmental cooperation.

The chairman asked the delegates to indicate the areas in which they had particular interests in order that he would be able to assign them to special subcommittees in the near future.
It was decided that the subject of civil service would be discussed at a later meeting of the committee.

Mr. Burson stated that the subcommittee appointed to begin drafting proposals on local and parochial government was meeting in Kenner on April 23 and 24, and that copies of these proposals would be available to other committee members as soon as possible.

Having no further business to come before the committee, the meeting was adjourned at 4:00 p.m.

Chalin O. Perez, Chairman
R. Gordon Keen, Secretary

March 19, 1973

TO THE CHAIRMAN AND MEMBERS OF THE LOUISIANA CONSTITUTIONAL CONVENTION COMMISSION ON LOCAL AND PAROCHIAL GOVERNMENT:

Ladies and Gentlemen:

The people of Lafourche Parish and their Police Jurors extend to you our sincere appreciation for your service as a delegate to this Convention. Your task is extremely difficult. You are being asked to re-write the basic law of our State --- a project long overdue. In that basic law you are expected not only to preserve the fundamental rights of each citizen, but also to provide a workable framework in which government at all levels can effectively serve those citizens. This Convention has the full support of the Police Jury of Lafourche Parish. We extend to each of you our best wishes for total success in the difficult task ahead.

Local government is that level of government to which citizen grievances are first directed. The quality of governmental services, good or bad, is more apparent at this level than any other level of government. Local government is involved in the daily and almost continuous contact with the citizenry. Today local government is confronted with the most difficult problems. Great flexibility is needed to permit local government to efficiently solve those problems.

In this presentation we will confine our remarks generally to the police jury system of local government -- its problems -- its challenges -- and its suggested position in the constitution which you people are here to assist in drafting. While there are similar problems confronting the police jury and municipal form of government we feel that the competent representatives of our municipalities can best advocate their cause.

Insofar as the basic organization of local government is concerned we respectfully recommend that the legislature be given authority to create, incorporate, consolidate and dissolve parishes, municipalities or other units of local government. However, such legislative acts are not to become effective until they have first been submitted and approved by a majority vote of the electors of the area to be affected.

We strongly recommend that the constitution include a home rule provision under which the electors of any parish, municipality or other unit of local government are expressly given the right by a majority vote to adopt or amend a charter form of government to suit local needs. The citizens of every community should be given that degree of control over local government which is needed for effective operation. Our state has reached a maturity level to permit a stronger showing of good faith in local government. Parish and municipal officials should be granted broad authority. If they abuse or misuse that authority the wisdom of the electorate can correct the abuses.

Local government should be granted broad power to levy and collect needed taxes for any legal purpose, but only subject to a majority vote of those electors voting in an election held for that purpose. If a majority of the people are willing to pay the tax -- then local government should be authorized to levy the tax. However, one exception to this rule is the existing constitutional four mill alimony tax which provides the general fund of every police jury. The new constitution should authorize the continuation of the alimony tax as it is the basic tax of the police jury. All municipalities are presently given the option of levying up to seven mills. Police juries are called on to provide essentially the same public services as municipalities, and we respectfully suggest that this Convention favorably consider increasing the present four mill alimony tax.

We recommend that police juries be given authority to create governmental agencies or service districts for purpose of drainage, fire protection, solid waste disposal, hospitals, irrigation, recreation, road lighting, sewerage,
waterworks and other similar functions. In addition to the authority to create these agencies and to perform all acts expressly authorized by the constitution and general law of the State — we recommend that local government be granted a tenth amendment type of residual power. Local government should have the authority to exercise any power which is not specifically denied by its charter or by the constitution or general law of the State. This residual power, sometimes called the Fordham plan, will give local government the needed flexibility to solve local problems.

We recommend that police juries be given control over the various governmental agencies or service districts created by them. This control should include the authority to appoint and remove the members of the governing boards at the will of the police jury. Police jurors secure their office through the election process and if they become unresponsive to public demand they are voted out of office. The board members on these service districts are not subject to the election process and while most are capable and dedicated officials some will occasionally drift away from current public sentiment. The police jury should be granted the power to appoint or remove them at will — otherwise the public is denied any real opportunity to express just grievances concerning the operations of these essential governmental agencies.

The police jury should also be given the power to exercise budgetary and fiscal control over the service districts, created by it including the power to veto line items in budgets. This fiscal control should also include the power to approve or disapprove the submission of tax proposals to the electorate. While each of these service agencies has basically a single purpose — the police jury has the responsibility of providing all essential governmental services in the parish. Fiscal control over these service districts is essential if the police jury is to utilize the available tax dollars to the maximum. Some of these service districts become under-financed, while others become over-financed. In many instances assessment increases are not met with corresponding millage reductions.

It is evident that Louisianans will shortly get into a program of property tax equalization. The immediate effect of tax equalization will be a substantial increase in assessment. The police jury must be given express constitutional authority to order its service districts to reduce millage to correspond with increased assessment. If the millage is not reduced, the immediate effect will be a bonanza for local government. However the ultimate effect will be a disaster because added taxes will bring on a tax rebellion. The average citizen is concerned with the amount of tax dollars he is called on to pay — not the assessment or millage on his property.

We strongly recommend that the legislature be prohibited from imposing financial obligations on local government without providing the additional revenues needed to meet such obligations. Any legislation which increases the expenditures of local government should not take effect until either approved by local ordinance or until funds are allocated by the legislature to offset the increase. It is simply not possible for local government to exercise any fiscal control over its affairs as long as the legislature has unrestricted freedom to increase its financial burdens.

We also recommend that the constitution authorize broad intergovernmental cooperation between all agencies of local government. Lafourche Parish is physically rather narrow and is about sixty-five miles long. It runs from the Assumption Parish line north of Thibodaux all the way to Grand Isle. We have three different municipalities, Thibodaux, Lockport, and Golden Meadow. We also have three different hospital districts, several fire protection districts, several drainage districts, several recreation districts, several garbage districts, and several sewerage districts. We have three different waterworks systems in the Parish. Our parish is included within the boundaries of three different levee districts. We are part of a fresh water district which includes several other parishes. We also have a port commission which has been created by legislative act. To further complicate matters, each of three municipalities have created various service districts of their own.

Therefore, in order to promote basic efficiency in local government it is absolutely essential that the constitution authorize these governmental agencies to cooperate with each other and to jointly enter into projects which are of mutual benefit. The law should grant local government broad authority to act in this respect.

A discussion of the judiciary may not be the proper
subject before this committee on local government. However, the police jury must properly house the judiciary, supply our judges and district attorney with office equipment and secretarial help, and in many instances we contribute to the

salaries of the public officials. We feel that the legislature should be given authority to create additional judgeships and establish city, parish or ward courts in keeping the general law of the State. However, as previously indicated local government should be granted a veto power over these legislative acts where additional financial burdens are imposed without legislative allocation to meet those burdens.

We recognize a trend in this State to abolish the justice of the peace court. Statistical reports show that the JPs of Lafourche Parish perform a needed service as committing magistrates and if abolished our judiciary would be burdened with these added duties. Therefore, we recommend that local parish government be given the option of retaining or abolishing the JP court.

Mr. Chairman, Ladies and Gentlemen of the committee, we have made no attempt to cover all the problems of local government. Time will obviously not permit that. However, we have discussed with you some of the more important issues which should be considered in the drafting of our new constitution. We appreciate your courteous attention. We are anxious to answer any question which you may have concerning our presentation.

Again, on behalf of the people of Lafourche Parish and the police jurors of our parish, we wish to express our appreciation for your dedicated service as delegates to this convention. We are confident that through your efforts the basic law of our great State will be changed for the better. Thank you very much for allowing us to be here today and offer this presentation, and may God be with you in your deliberations.

Respectfully submitted,

Thomas M. Barker, President
Lafourche Parish Police Jury

Stanley L. Perry, Divisional Vice-President
Lafourche Parish Police Jury

OFFICERS:

President: Henry C. Schindler, Jr.
First Vice-President: Roy M. Gonzales
Vice-President: Valentine Hebert
Secretary-Treasurer: Raymond W. McDougall

MEMBERS:

Bernard A. Odlum
Roy H. Goniol
Valentine Hebert
Anthony J. Fontenot, Jr.

WALTER'S:

Bernard A. Odlum
First Ward
Roy H. Goniol
First Ward
Valentine Hebert
Second Ward
Ray M. Gonzales
Second Ward
Peter Parnassa
Second Ward

Nunca D. Gautier
Thirld Ward
John A. Mayfield
Third Ward
Lila H. Munster
Third Ward
Catherine Martin
Fourth Ward
Clyde S. Humphrey
Fourth Ward
Roland J. Bergeon, Jr.
Fourth Ward

WALTER'S:

Walter S. Whelan
Walter S. Whelan

St. Bernard Parish Police Jury

St. Bernard Parish
St. Bernard Courthouse Annex
Chalmette, Louisiana 70043

OFFICERS:

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President
Roy M. Gonzales
Vice-President
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Fourth Ward

WALTER'S:

Walter S. Whelan
Walter S. Whelan

St. Bernard Parish Police Jury

St. Bernard Parish
St. Bernard Courthouse Annex
Chalmette, Louisiana 70043

EXTRACT OF THE OFFICIAL PROCEEDINGS OF THE POLICE JURY OF THE PARISH OF ST. BERNARD, STATE OF LOUISIANA, TAKEN AT THE REGULAR MEETING HELD IN THE POLICE JURY ROOM OF THE COURTHOUSE ANNEX, CHALMETTE, LOUISIANA, ON TUESDAY, MARCH 13, 1973, AT ELEVEN (11:00) O'CLOCK A.M.,

On motion of Louis P. Munster, seconded by John Metzler, and unanimously carried, the following resolution was adopted:

RESOLUTION

WHEREAS, The Board of Commissioners for The Port of New Orleans during the past 50 years did not construct a single wharf or docking facility along the banks of the Mississippi River within St. Bernard Parish; and

WHEREAS, St. Bernard Parish has not been represented on The New Orleans Dock Board for more than 40 years; and

WHEREAS, The Board of Commissioners for The Port of New Orleans has plans to cut St. Bernard Parish in two with a ship lock and connecting link between the Mississippi River and the Mississippi River Gulf Outlet in the vicinity of Violet; and

WHEREAS, this connecting link would retard the growth of the lower portion of St. Bernard Parish and increase the danger of tidal overflow from storms and hurricanes; now

THEREFORE, BE IT RESOLVED, by the St. Bernard Parish Police Jury, the governing body of the Parish of St. Bernard, that the Committee on Local and Parochial Government of the 1973 Constitutional Convention delete from the jurisdiction of The New Orleans Dock Board that portion of the Mississippi River that borders St. Bernard Parish, all channels and waterways within St. Bernard Parish.

BE IT FURTHER RESOLVED, that the Constitutional Committee on Local and Parochial Government include a Constitutional Provision which would make it possible to place all of the Mississippi River, channels and waterways bordering and within St. Bernard Parish under the jurisdiction of The St. Bernard Port, Harbor and Terminal District.

The above resolution having been submitted to a vote, the same thereon resulted as follows:

YEAS: Messrs. Odlum, Gonzales, Pernicerio, Cusimano, Metzler, Munster, Humphrey, Melotie, Bergecon, and Moliero.

NAYS: None.

ABSENT: None.

And the resolution was declared adopted on the 13th day of March, 1973.

CERTIFICATE

I CERTIFY THAT the above is a true and correct copy of a resolution adopted by the St. Bernard Parish Police Jury, at the Regular Meeting held at Chalmette, Louisiana, in the Police Jury Room on the 13th day of March, 1973.


R. R. McCOLLETT
SECRETARY-TREASURER
STATEMENT MADE BEFORE THE CONSTITUTIONAL CONVENTION - 73, MARCH 19, 1973

LADIES AND GENTLEMEN, I'M HARVEY N. LOUMIET, JR., I RESIDE AT 399 FAIRFIELD AVENUE, GRENA, JEFFERSON PARISH, LOUISIANA.

I'M PRESIDENT AND CHIEF EXECUTIVE OFFICER OF LOUMIET ENTERPRISES, INC., THE OWNER OF FIVE OTHER COMPANIES, NAMELY, AYERS MATERIALS CO., INC, A DELENGING AND ROAD BUILDING COMPANY; HARVEY INDUSTRIES INC., A STRUCTURAL WELDING AND OIL FIELD FABRICATION CONCERN; JAMES ENTERPRISES, INC., A BARGE RENTAL COMPANY; LOUMIET TOWING AN OPERATOR OF TUGBOATS; AND MAGNVOY, INC., AN ELECTRICAL CONTRACTING COMPANY.

AS PRESIDENT, I PARTICIPATE IN THE DAY-TO-DAY MANAGEMENT OF EACH OF THESE COMPANIES.

I WAS BORN IN THE CITY OF NEW ORLEANS IN 1925, AND RESIDE IN THE CITY UNTIL 1955, AT WHICH TIME I MOVED TO JEFFERSON PARISH.


I MENTION THESE VARIOUS CIVIC TASKS NOT TO TAKE UP YOUR TIME, BUT TO ASSURE YOU THAT I HAVE SERVED THE COMMUNITY IN THE PAST AND I'M PRESENTLY SERVING IN NUMEROUS CAPACITIES TO IMPROVE THE WELFARE OF THE METROPOLITAN NEW ORLEANS AREA.

I AM HERE TODAY TO ADDRESS MYSELF TO THE MATTER OF THE PORT OF NEW ORLEANS. IN THE LAST SEVERAL WEEKS I'VE READ MANY STATEMENTS BY VARIOUS REPRESENTATIVES OF THE DOCK BOARD AND THEIR FRIENDS EXPRESSING CONCERN THAT THE DOCK BOARD MAY AS A RESULT OF THE ACTIONS OF THIS CONSTITUTIONAL CONVENTION, BECOME POLITICALIZED. I WOULD LIKE TO MAKE IT CLEAR THAT I DO NOT WANT NOR DO I INTEND TO HAVE ANY PART TO PLAY IN RETURNING THE DOCK BOARD TO THE SO CALLED "POLITICAL HYDRADEE DAYS OF THE 1930'S." AND I KNOW THAT THE DELEGATES OF THIS CONVENTION HAVE NO INTENTION OF DOING THAT EITHER, THIS SNAKESCREEN THAT THE DOCK BOARD

IS LAYING IS AN INSULT TO THE PUBLIC AND TO THE MEMBERS OF THIS CONVENTION, IT'S THEIR MOBUS OPERANDI, THE WAY THEY APPROACH ANY ISSUE WHICH THREATENS THEIR PRIVATE PRESERVE. THEY'RE SAYING THERE ARE ONLY TWO CHOICES - MAINTENANCE OF THE STATUS QUO OF THE DOCK BOARD, OR POLITICALIZATION OF THE PORT.

THERE'S A THIRD CHOICE, LADIES AND GENTLEMEN - EFFICIENT, RESPONSIBLE MANAGEMENT OF THE PORT - WHICH IT HASN'T HAD IN SOME YEARS.

VARIOUS PORT OFFICIALS HAVE SAID THAT THE PORT IS A BUSINESS AND SHOULD BE RUN LIKE A SUCCESSFUL BUSINESS BY BUSINESS MEN.

I AGREE WITH THAT STATEMENT, THE PORT IS A BUSINESS AND SHOULD BE RUN LIKE A BUSINESS. BUT IN MY CONSIDERED OPINION, THE PORT OF NEW ORLEANS IS NOT RUN LIKE A SUCCESSFUL BUSINESS.

WE'VE ALL HEARD HOW GREAT THE PORT OF NEW ORLEANS IS - THE DOCK BOARD SPENDS AS MUCH TIME DEVELOPING THIS IMAGE AS IT DOES TRYING TO MANAGE THE AFFAIRS OF THE PORT. AND IT WOULD HAVE YOU BELIEVE NEW ORLEANS IS NUMBER TWO IN THE NATION ONLY BECAUSE OF THE DOCK BOARD'S EFFORTS.

NEW ORLEANS IS THE SECOND PORT IN THE NATION FOR THE SAME REASON NEW YORK IS THE FIRST - LOCATION, BOTH ARE DOWNWAYS - NEW YORK TO THE HEAVILY POPULATED EAST, AND NEW ORLEANS TO THE VAST HEARTLAND OF THE COUNTRY AS WELL AS THE AREAS SERVED BY THE GULF INTRACOASTAL WATERS.

NEW ORLEANS WILL REMAIN NUMBER TWO BECAUSE OF ITS LOCATION, BUT THAT ALONE DOES NOT MEAN THAT IT WILL BE A STRONG, VIABLE PORT, CONTRIBUTING TO THE ECONOMY OF THE STATE AND AREA. WE'VE BEEN A COMPLACENT, SELF-SATISFIED NUMBER TWO, SITTING ON THE BANKS OF THE RIVER, PLANNING TO MOVE OUR PORT TO A MAN-MADE DITCH, WHILE SMALLER PORTS TAKE RATES OF OUR TONNAGE AND MAKE OUR PORT MANAGEMENT LOOK LIKE ITS STILL IN THE KEELBOAT ERA.

I KNOW THIS SOUNDS STRONG TO YOU - PARTICULARLY FROM A FORMER PRESIDENT OF THE DOCK BOARD, BUT I RESIGNED FROM THE BOARD BECAUSE I FELT I COULD DO MORE GOOD SPEAKING OUT AS A PRIVATE CITIZEN THAN PARTICIPATING IN THE BOARD'S AFFAIRS, WHICH I FEEL WERE NOT BEING HANDLED IN THE BEST INTERESTS OF THE PUBLIC.

IN RECENT MONTHS, I'VE DISCUSSED MY VIEWS BEFORE MANY CIVIC GROUPS AND CLUBS, PROVIDING STATISTICS, DETAILS, AND SPECIFIC EXAMPLES OF WHAT IS WRONG WITH AND WHAT NEEDS TO BE DONE TO IMPROVE THE OPERATIONS OF THE PORT.

LET ME CITE JUST ONE STATISTIC TO EMPHASIZE THE INEFFICIENCY OBVIOUS IN THE PORT OF NEW ORLEANS, BY COMPARING NEW ORLEANS WITH TWO OTHER GULF COAST PORTS IN ONLY ONE FACET OF OPERATIONS - VOLUME OF CARGO HANDLED PER SQUARE FOOT OF SHIPYARD SPACE.

THE PORT OF GULFPORT HANDLES APPROXIMATELY 1.8 TONS OF CARGO PER SQUARE FOOT OF SHIPYARD SPACE, THE PORT OF HOUSTON HANDLES APPROXIMATELY 3.0 TONS OF CARGO PER SQUARE FOOT PER YEAR; THE PORT OF NEW ORLEANS HANDLES APPROXIMATELY .72 TONS PER SQUARE FOOT PER YEAR.

IN SIMPLE TERMS IT MEANS THAT GULFPORT IS TWICE AS EFFICIENT AS NEW ORLEANS AND HOUSTON IS FOUR TIMES AS EFFICIENT AS OUR GREAT PORT OF NEW ORLEANS.

ONE CAN ONLY WONDER HOW MANY MORE LONGSHOREMEN'S JOBS WOULD BE AVAILABLE

IF OUR PORT WERE USING ITS FACILITIES AS EFFICIENTLY AS GULFPORT AND HOUSTON ARE APPARENTLY USING THEIRS.
that's basically the whole story - the port of new orleans is not efficient, managed nor do certain interest want it efficiently managed.

the prospects for the port's future are more frightening.

many years ago, someone, for reasons unknown to me, conceived the idea of digging a seaway from the gulf of mexico to new orleans to bypass the mississippi river. it was dug and is known as the mississippi river gulf outlet.

other than creating anxiety for the people of st. bernard parish and the lower ninth ward of orleans parish, who consider themselves exposed to dangerous flooding because of this project; other than the fact that this ditch has never reached anywhere near its tonnage projections, because spaceship company will not use it; other than the fact that it has done irreparable damage to our state's valuable wetlands the dock board toils it as a success and has great plans for it.

it did not operate in an efficient and economical manner; it did not provide for proper upkeep and maintenance of its facilities; it suddenly discovered that many of its wharves were dilapidated, and it was caught unprepared by new shipping technologies that demanded changes and improvements which the port did not have the wherewithal to satisfy.

what should have been apparent to everyone - the run-down condition of the port - became a sudden crisis, as it wharves has rotted overnight - the port had to be saved. it had to be saved from itself, in truth but that was never mentioned.

so a plan was conceived....let's go to baton rouge and get state funds.

we're great! we've done our public relations work well enough, so that everyone believes we can do no wrong. but, we must be careful and not have someone realize how bad the jobs been done and take us to task for it. let's hire someone to give us credibility.

someone was hired - for $300,000.00 of taxpayers' money with the end result being - the centroport concept.

the plan was successful - because it resulted in the state legislature giving the port of new orleans $30,000,000.00 to move a port that shouldn't be moved. it's of course understood, by all who are close to the port, that the $400 million dollars needed between now and year 2000, for the centroport concept, must be state funds, because the port is not generating enough funds to maintain itself much less generating enough funds to move itself.

we could talk about many more of the port's inadequacies over the years; the railroad gate, the audubon park bat gate incident, the perry street wharf freight differential, the stuyvesant dock situation, the public bulk terminal that cannot develop because of it being in a ditch, and, of course, the unrealistic, and yet so according to form, handling of the new lock project.

but, i don't think it's necessary to belabor their failings, because i think we're all too familiar with them.

what we must concern ourselves with is the future.

during the past several months, i've given much thought as to how to best handle the matter and have come up with what i feel is a realistic answer.

while i couldn't believe it at first, its become rather obvious to me that the majority of new orleans' leaders, both political and business, are satisfied with the port of new orleans and its operations. some may deny this assumption, but i have only the public record to look to, and it has failed to show me that the majority of the leaders are either concerned or interested in whether or not the port of new orleans is an efficient and properly managed port.

with that thought in mind i say - let the city of new orleans have the port of new orleans. the port of new orleans is not the benefit they would have you believe it is to the state of louisiana, so why the need for it to be a state agency, other than to get state money to cover it deficiencies.

some may react that you can't do this because you would deprive the other two parishes that are presently under the port's control jefferson and st. bernard, of the benefits they get from being part of this great port, both parishes may object, but let's see if they have any valid reason or right to object.

the members of the dock board are presently nominated by seventh organizations. six are new orleans organizations and the seventh is tied to new orleans thru the chamber of commerce. from this you must assure that since new orleans presently controls the nominations of members the other two parishes, jefferson and st. bernard, have no right to object that the port authority be limited to orleans parish.

apparently the community leaders are satisfied with the nominating process, as it presently exists - since i've heard no objections, therefore, until they demand a better method, and there are plenty of better methods available, i suggest that the nominating process not be changed.

the port has 5.5 million square feet of berths under what they call first call privileges. of this figure, 250 thousand square feet is located outside orleans parish, 8.25 million square feet in orleans parish, 250 thousand square feet outside orleans parish. i'm sure with a little imagination and cooperative effort arrangements can be worked out to relieve the dock board of the facilities located outside of orleans parish.

thereby, again removing any right jefferson and st. bernard might have to object to the port being limited to orleans parish.

all dock board plans on record - the centroport concept - insist that all new port facilities be along the m.r.g.o., in orleans parish or at stanton plantation, again in orleans parish, so why should jefferson and

---
ST. BERNARD BE ALLOWED TO BE PART OF WHAT IS BASICALLY AN ORLEANS PARISH OPERATION.

I SUBMIT THAT THE PORT OF NEW ORLEANS SHOULD BE LIMITED TO ORLEANS PARISH, SO THAT IT CAN DEVELOP ITS PLANS, AS RIDICULOUS AS THEY ARE, TO THE FULLEST WITHOUT OUTSIDE INTERFERENCE AND WITHOUT OBSTRUCTING THE GROWTH OF OTHER AREAS.

THIS, OF COURSE, WOULD ALLOW JEFFERSON AND ST. BERNARD TO PURSUE THEIR OWN PROGRAMS OF PROGRESSIVE INDUSTRIAL AND PORT DEVELOPMENT AND PROVIDE THE METROPOLITAN AREA WITH WHAT IT NEEDS, AN AGGRESSIVE AND PROGRESSIVE PORT OPERATION.

ONE FINAL THOUGHT.

THE PLAN I HAVE PROPOSED MAY NOT BE THE SOLUTION YOU ARE LOOKING FOR, BUT IT HAS BEEN OBVIOUS THAT THE DOCK BOARD HAS BEEN REFERRED TO AS A SACRED COW SO MANY TIMES THAT ITS MEMBERS AND STAFF ACTUALLY BELIEVE THEY ARE UNTOUCHABLE AND UNANSWERABLE.

DOCK BOARD SPOKESMAN HAVE EXPRESSED CONCERN THAT THEY MAY loose THEIR AUTONOMY AS A RESULT OF THIS CONVENTION. BE THAT AS IT MAY, - BUT PLEASE ALWAYS REMEMBER IN YOUR DELIBERATIONS THAT IRREGARDLESS OF WHAT SOLUTION YOU ARRIVE AT, IT MUST IN SOMEWAY ELIMINATE THIS SACRED COW ATTITUDE AND PROVIDE A RESPONSIBLE AND RESPONSIVE PORT AUTHORITY OR AUTHORITIES FOR THE METROPOLITAN AREA. IT'S UP TO YOU.

UTILIZATION OF PORT FACILITIES IN TONS PER SQUARE FEET OF WHARF SPACE

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<thead>
<tr>
<th>New Orleans</th>
<th>Gulf Port East of New Orleans</th>
<th>Gulf Port West of New Orleans</th>
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-10-
A meeting of the Joint Legislative Committee on the Reorganization of Levee Districts was held in the Senate Lounge of the State Capitol at 10:00 A. M. on February 27, 1973.

Chairman Lauricella called the meeting in order at 10:00 A. M., with the following members present: Senator P. E. Lauricella, Senator Paul G. McAdy, Senator Nat G. Kiefer, Senator Bryan Poston, Representative W. D. Folkes, Representative Carl Gunter, Representative Raymond Laborde, Representative Frank Pati, Representative J. C. Shannon and Representative Warren J. Simon. Also present were: Mr. Joe Burris, Mr. Sydney McDonald, Mr. Robert Viovoir, Mr. Veldon Smith, Mr. Gay Poret, Mr. Chalin Pres, Mr. Herman Lowe, Mr. Guy LeCuna, Mr. Scott Cannon and Miss Clair Azour.

Senator Lauricella noted that Senator Lambert was attending the Joint Legislative Committee on Highways and Public Works but would try to attend later.

The Chairman outlined the agenda for the day, making certain amendments in the order. A copy of the agenda is attached.

The minutes of the committee meeting of January 4, 1973, were adopted.

Senator Lauricella, in response to questioning relative to the report concerning committee meetings, asked Mr. Cannon of the Legislative Council to send a copy to the Speaker of the House. Mr. Cannon was also instructed to forward copies of all such reports to the Speaker.

The first item discussed was the report to the Constitutional Convention prepared and submitted to the committee by Representative Pati. Representative Pati moved and the report be adopted as the committee's report to the Constitutional Convention.

Following a page by page discussion by members and guests, and various changes adopted by the committee, the attached report was adopted as an appendicular report to the convention. It was agreed that additional reports may be submitted.

The next item discussed was the Louisiana Commission on Governmental Ethics report relative to the Lake Borne Basin Levee District. Mr. Cannon explained the report. A copy of this report is attached.

A general discussion followed concerning land ownership by districts. No definite conclusions were reached.

Chairman Lauricella announced that the attorney general had rendered an opinion stating that the governor had no power to remove levee commissions once he had appointed. This opinion is attached.

Representative Shannon then presented a proposal which had been presented at an earlier meeting, relative to reorganization of levee districts.

Prior to discussion of Mr. Shannon's proposal, Mr. V. Leon Smith, President, Association of Levee Boards of Louisiana, explained the land ownership position in his district.

Mr. Guy Lolliveau, President, Orleans Levee Board, then stated his views on land ownership. He feels that each board should retain ownership.

Senator Hardy then suggested that land ownership, not necessarily control, should be given back to the state. Boards should still be the governing authority.

Mr. Poret then said that the State Land Office would be happy to administer the lands. They are working on the title problem.

The next item on the agenda for the next meeting was the budget. The first item is to be the matter of per se, expenses and membership of boards and commissions. The next item is to be the question of land ownership. The third item will be the question of budget.

The meeting was adjourned at 2:30 P. M.

Pursuant to Act 387 of the 1972 session of the Louisiana legislature, the Joint Legislative Committee on Reorganization of Levee Districts, was appointed by the Honorable Edwin Edwards, Governor of the State of Louisiana. In accordance with the provisions of said Act, this committee met on several occasions and heard numerous witnesses and has assembled voluminous information concerning the organization and operations of levee districts.

The principal reason for the study authorized by Act 387 was the misuse or abuse by certain levee board members of their authority, particularly with respect to per diem and mileage collected. There are approximately 103 levee boards in this state, many of whom have served long, honorably and well as levee board members. Criticism concerning mileage and per diem has been limited to certain members of 2 or 3 levee boards out of a total of 17 levee boards throughout the state. It was the consensus of the committee that rather than recommend the abolition of state agencies while historically have operated efficiently and well that the conclusion must be inevitably reached that levee districts should be maintained and that effective methods must be developed to eliminate the excised abuses.

Among the witnesses appearing were:

Major General Charles Noble, U. S. Corps. of Engineers
Mr. Roy Sessums, Mississippi River Commission
Mr. Ed Steirel, PAR
Mr. Ed Slagg, CARL
Mr. Hu Hoyser, Chief Engineer, Dept. of Public Works

It was determined that two-thirds of the people of the state live behind
levee system, that most of Louisiana's industrial installations, two-thirds of its farms, many of its principal cities and countless smaller communities are protected by these levee systems. Its major highways, railways, power lines, and other utilities.

The evidence presented shows that levee districts are involved in many levee maintenance and construction aspects. Under appropriate federal law, levee boards are charged with the responsibility of maintenance, levee and flood control in the extent of their capabilities. Federal law (United States Code 33:702) requires a high level of planning and construction for flood control and the Mississippi River that "said levee shall be turned over to the levee districts protected thereby for maintenance thereafter." This entails the construction of levee and repair of levees, particularly during flood when there is a possibility of levee failure, levee bypassing and other flood problems. In addition, levee boards are charged with the responsibility of the acquisition of the necessary right of way for enlargement, setback and other levee projects, including the administration of the recently enacted Uniform Relocation Assistance Act.

It was the consensus of the testimony that the functions of levee boards should remain in local hands rather than be consolidated into a state agency but that improvements can and should be made through consolidation, division or reorganization of certain districts to provide more efficient and effective management to insure better flood control. Among the reasons cited for local control are:

1. Those whose lives and property are protected by levees have the greatest interest in preserving the integrity of existing levees, in proposing their improvement and in the construction of additional protection levees.

2. Many levee board members actively participate in planning and promotion of protection levees and other related flood control projects.

public works. If the levee boards are abolished, the services of these levee board members would be lost. Many of them are businessmen who devote considerable time and effort towards promotion of public works projects before Mississippi River Commission hearings and before committees of Congress to protect their own properties and lives and for the welfare of their communities.

3. When levee improvement work is needed, levee board members are the closest contact with the residents of the area affected by the public works program. Included among their responsibilities are negotiation and settlement for damages with the local property owners for loss of property and improvements and the administration of the recently enacted Uniform Relocation Act. Under this Act, personal contact with and evaluation of homeowners and their properties is required even to the extent of building new homes for families having substandard accommodations and the temporary relocation and accommodation of displaced persons as the result of these public works projects.

4. There are many levees throughout the state which have not yet been constructed, or which have not been completed to grade. Included among these are the vast levee systems planned for the Atchafalaya Basin and hundreds of millions of dollars in hurricane protection levees planned for South Louisiana. In connection with the planning of Mississippi River and tributaries and hurricane protection levees, the advice and counsel of the local levee board members, as well as of the Department of Public Works, is essential. Dedicated levee board members can adequately protect the interests of local residents and property owners in levee and flood control planning.

5. The financing of hurricane protection levees is a local responsibility to which other areas of the state without need of hurricane protection levees would be unwilling to contribute. If levee districts were consolidated into one state agency, all of the people of the state would be required to contribute to and support levee construction and maintenance even though many would not benefit from these levees. Appropriate federal law requires local levee districts to contribute 35% of the project cost. The total estimated cost of hurricane protection projects for South Louisiana is $409,600,000 and local participation approximately $123,000,000.

Four possible alternatives for local management were discussed:

1. Retain the present method of appointment by the Governor upon recommendation of the local members of the Legislature and enact appropriate legislation to eliminate abuses by levee board members of per diem and mileage.

2. Elect levee board members with each parish included within a levee district electing at least one member of the board.

3. Local governing authorities appoint levee board members.

4. Consolidation of levee districts situated entirely within the boundaries of one parish into the governing authority of such parish.

The method of appointment or election of levee board members in other states was studied. In three states along the Mississippi River levee board members are elected; and in three states levee board members are appointed by local agencies, either by county commissioners or by county courts. In Louisiana levee board members are appointed by the Governor.

Act 387 requires that this committee adopt certain methods whereby the various levee districts of this state situated entirely within the boundaries of one parish may be consolidated, merged or vested in a parish governing body or authority at the option of such parish governing body or authority. It is abundantly clear that where a levee district is situated entirely within the boundaries of one parish that the most effective and efficient method of operating a levee district would be by the parish governing authority because it would afford the possibility of better utilization of machinery and equipment and at the same time provide for control and supervision of levee maintenance and construction by local authorities.

In multi-parish districts, however, the problem of consolidation into a local governing body becomes more complex because of the fact that in most instances, only parts of several parishes are included within the boundaries of these districts.
This committee has reached the following conclusions:

1. Adequate provisions should be made in the constitution for the continuation of levee districts or flood control districts.

2. The legislature should be given authority to consolidate small and non-contiguous levee districts in order to provide for more efficient management and operation of these districts and to provide for fewer levee boards.

3. The legislature should be granted authority to divide levee districts which are located in more than one parish in order to provide the possibility of merging levee districts into the governing authority of parishes.

4. Where levee districts are located solely within the boundary of one parish, the local governing authority of the parish shall be granted the authority to merge or consolidate levee districts into the local government.

The following essential constitutional provision would accomplish these objectives:

"Levee districts now organized and constituted shall be maintained except that:

1. "The legislature may provide for the consolidation, division or reorganization of existing levee districts or create new levee districts provided that the members of the board of commissioners of such districts shall be appointed or elected from residents of such districts.

2. Any levee districts whose flood control responsibilities are limited to any which is situated entirely within the boundaries of such parish may be merged and consolidated into such parish upon approval of a majority of the registered voters of such parish who vote at an election held substantially in accord with the law pertaining to the holding of elections to authorize the issuance of bonds by political subdivisions of this State and upon the adoption of a resolution by the governing authority of such parish which shall provide the details of such merger and for the assumption by such parish of all bonded and other indebtedness of the affected levee district. This provision shall be self-executive.

No action taken hereunder shall impair the obligation of any outstanding bonded indebtedness or of any other contract of such levee district."

The committee will continue its study as to the legislative changes which should be made to correct the misuse and abuse of authority by some levee board members and the more efficient operation of levee districts and its report on same will be issued at a later date. The committee urges the convention to also study this area.

1) If a provision is included in the new Constitution for the conduct of bond elections, this clause should be amended to refer to the appropriate constitutional article and section.

Attached hereto are copies of the testimony of Hon. General Charles C. Noble, President of the Mississippi River Commission, and of Roy Sessums, Chairman of the Commission, the Mississippi River Commission is the lead agency charged with the responsibility of flood control work by the United States Government in Louisiana and other states. Copies of the testimony of Ed Steddell, Executive Director of P.A.R. are also attached.

The executive files of the committee are located in the offices of the legislative council, and will be made available to the convention upon request at any time.

Respectfully submitted,

JOINT LEGISLATIVE COMMITTEE ON REORGANIZATION OF LEVEE DISTRICTS

1973
LOUISIANA CONSTITUTIONAL CONVENTION
LOCAL AND PAROCHIAL GOVERNMENT COMMITTEE

Natural Resources Building
Baton Rouge, Louisiana
March 19, 1973

Statement of

Roy T. Sessums, Vice President
Freeport Sulphur Company
New Orleans, Louisiana

concerning

THE ROLE OF LOCAL LEVEE BOARDS

My name is Roy Sessums. I appear here today as a private citizen. However, I presently serve as a member of the Mississippi River Commission for the State of Louisiana to which I was appointed in 1968. The Mississippi River Commission is the federal agency charged with the responsibility of flood control work in the lower Mississippi River valley which includes the State of Louisiana and several other states.

The Mississippi River Commission includes in its general duties as an executive body the recommendation of policy and work programs, the study of and reporting upon the necessity for modifications or additions to the flood control and navigation project, recommendation upon any matters authorized by law, making inspection trips and holding public hearings.

I served as the Director of the Louisiana Department of Public Works during the Kennon administration from 1952 until mid-1955. I also served as Dean of the Engineering School at Louisiana Tech from 1940 through 1952, except for the period of time in which I was granted a leave of absence to serve in the Armed Forces of the United States.

My first experience with the Mississippi River and flood control work extends back to 1927 when, as a resident of West Carroll Parish, our area was inundated by the flood of that year. At that time I was employed by R. J. Darnell Inc.

Over the years, and particularly during the period of time in which I served as Director of the Louisiana Department of Public Works and presently as a member of the Mississippi River Commission, I have become thoroughly familiar with the
levee systems and the levee boards of this state, and to a certain degree with the levee boards in other states. I can state without fear of contradiction that the unique levee board setup in Louisiana has proven, over the years, to be the most effective method of handling levee construction and maintenance. This is particularly true when one considers the excellent job that has been performed in all functions by the levee districts in Louisiana as compared to other states.

There is a popular misconception that the only function of levee boards is grass cutting. Nothing could be further from the truth.

Although the Corps of Engineers assumed the responsibility for construction of levees along the Mississippi River and its tributaries in 1928, local levee boards perform essential services during the planning and construction of levees. Then, when the levees have been completed the local levee boards serve the vital role of inspecting and maintaining those levees.

During the planning and construction phase, it is the responsibility of the local levee boards to appropriate the necessary lands for this work and to deal with the property and homeowners who are affected by these projects. Without the local help and cooperation of these levee board members and their staffs, the task of dealing with the local property owners and home owners would be a most difficult one.

Because of the recently passed Uniform Relocation Assistance Act, local participation by levee boards becomes more important. Under this Act, the homeowners and business owners must be personally contacted, and their personal problems attended to, even to the point of building new homes for some homeowners whose dwellings are substandard.

In some cases, temporary shelter must be found during relocations, even to the point of having to provide ambulance service for moving of invalids living in homes to be relocated. The Uniform Relocation Assistance Act also requires that the homeowners and business owners affected be contacted personally. This can only be done properly by residents of the area in which the work is to be accomplished who understand local conditions best -- levee board members.

The disruption of business and homes is a traumatic experience for homeowners and business owners. Question upon question must be answered, involving endless negotiations and pacification. Without the local levee board members who know their constituents and speak the language of the people of the area, the accomplishment of federal levee construction and improvement work would be seriously hampered.

The inspection and maintenance of levees entails not only the cutting of grass so that the levees can be properly inspected but the constant watchful surveillance by the members of the levee boards and their employees to protect against washouts and levee deterioration. In many areas of the state, because of poor subsoll conditions, levees continue to sink and constant rebuilding and topping is necessary. Because of the ever-changing currents in the river, constant bank erosion problems exist, many times unpredictable.

Even though the U. S. Corps of Engineers conducts annual formal levee inspections and other periodic levee inspections, without the watchful eye and constant surveillance by local levee district members catastrophes might have and would have occurred many times in the past.

The levee systems in this state are far from being completed. In the Atchafalaya Basin, for instance, many years of work will be required before these levees are completed to project grade. In many areas along the Mississippi River, projects for enlarging, setback and construction to grade must still be accomplished and will have to be continually worked on, particularly in the areas where the subsoll conditions are poor.

Likewise, under appropriate federal law, projects have been commenced and some are in the planning stage for hurricane protection levees in south Louisiana. The total cost of these projects will run into hundreds of millions of dollars and the local interests are required to participate in the project to the extent of 30%. Rights of way for these projects must be secured from the local landowners and appropriate plans must be developed and approved.

In addition to such new levee construction, existing levees throughout the state, from time to time, must be enlarged, repaired, set back or otherwise worked upon.

Without the help, assistance and guidance of local levee board members, the Corps of Engineers and the State Department of Public Works would be hard put to determine the needs and wishes of the local residents.

Most levee board members are substantial and successful
businessmen who devote a great deal of time to the levee systems primarily because of their devotion to their community and their enlightened self - interest in wishing to protect their businesses and property. It would be impossible to employ men of this caliber to perform the dedicated services which these people perform.

Those whose properties and lives are protected by levee systems have the greatest interest in promoting adequate levee protection. Many levee board members devote a great deal of time in appearing before meetings of the Mississippi River Commission, appearing before committees of Congress in Washington and in meeting with the staff of the Corps of Engineers to promote and foster the development of levees and flood control projects in their respective areas. Without this local participation and urging, many of these projects probably would never have been completed or their completion would certainly have been long delayed together with the protection and benefits to be received therefrom.

Recently, there has been a considerable hue and cry in the public media concerning the abuses by a small percentage of the levee board members with respect to the per diem received and mileage charged for their services. These are the exception and not the rule.

As we all know, we should not destroy or do away with the barrel just because there may be a couple of bad apples in it.

From time to time, there have been charges made against certain elected and appointed officials of our state and local governing bodies. In some cases, prosecution and conviction ensued. But, none of us would advocate the dissolution of state and local governments of Louisiana because of the wrongdoings or improper use of authority by a few of its officials.

If any fault is to be found in the selection and conduct of levee board members, it should be laid squarely in the lap of the members of the Legislature and the Governor because under the present Constitution the members are appointed by the Governor upon recommendations of the members of the Legislature of the district or area from which the members are to be appointed. They serve at the pleasure of the Governor and can be removed at any time.

Today, two-thirds of the people of the state live behind levee systems. They take their levees for granted and no longer worry about the possibility of flood or other disasters caused by high water. I am sure that each of you had reason to reflect upon the value of our levee system during the past few months when the Mississippi river rose to its highest level during the winter months in more than 50 years.

It is only because of the excellent and effective levee systems which have been developed over the years through the cooperation and promotion of the local levee boards with the coordination by the Louisiana Department of Public Works and the U. S. Corps of Engineers that we enjoy the peace of mind from fear of flooding.

Moreover, as a member of the Mississippi River Commission, I would point out that no other state bordering on the Mississippi River enjoys as efficient and workable a system in this vital area of flood protection as does the State of Louisiana with its state department of public works and local levee boards.

It would be a dangerous thing to tamper with a proven effective institution because of the abuse by a few levee board members and to experiment with another method of handling levee problems which could prove to be disastrous.

I would further add that there can be no greater motivation for diligence than to have one's family, business, property, and life at risk. And, gentlemen, that is exactly why there can be no reasonable substitute for the local levee board concept.

By retaining the local levee board concept in the constitution, you will give assurance to that vast majority of our citizens who live behind levees that this vital and necessary flood control system will afford them continuing protection from the ravages of uncontrolled flood waters.

I would earnestly recommend that you preserve this unique and valuable institution by leaving it in the constitution, thus sheltering it from hasty, ill-considered, or politically motivated attack.

WHILE THE GREATER BATON ROUGE PORT COMMISSION IS AN EXECUTIVE DEPARTMENT OF THE STATE OUR FUNCTION IS NOT SIMILAR TO OTHER STATE AGENCIES OR DEPARTMENTS.

OUR PORT OPERATES AS A PRIVATE BUSINESS ENTERPRISE - WE ARE IN A HIGHLY COMPETITIVE BUSINESS - AND AS SUCH BRING MILLIONS OF DOLLARS OF REVENUE INTO THE BATON ROUGE AREA AND OUR STATE EACH YEAR.

OUR BOARD IS COMPRISED OF TEN MEMBERS ALL SERVING WITHOUT PAY BUT HAVING THE INTEREST AND AUTHORITY TO SET POLICY AND MAKE DECISIONS AS NECESSARY.
THERE ARE NUMEROUS INSTANCES WHERE WE ARE FACED WITH EMERGENCIES, SUCH AS DAMAGE TO OUR DOCKS OR FACILITIES, THAT DEMAND IMMEDIATE DECISIONS.

AT OTHER TIMES SOME COMMITMENT MUST BE MADE, VIRTUALLY ON THE SPOT, TO SOME INDUSTRY OR PERHAPS A STEAMSHIP OR BARGE LINE. WE ARE HIGHLY COMPETITIVE WITH ALL OTHER GULF PORTS AND WE MUST BE ABLE TO OPERATE AS THEY DO.

THE PAST 20 YEARS ARE AMPLE PROOF THAT WE HAVE THE AUTHORITY NEEDED AND THE POWERS NECESSARY TO ACCOMPLISH OUR PURPOSE.

SINCE 1956 OUR PORT HAS EXPANDED AT A FANTASTIC RATE WITH OUR EXPENDITURE ON FACILITIES INCREASING FROM 114 MILLION DOLLARS TO SOME 48 MILLION DOLLARS. ALL OF OUR FACILITIES ARE BEING WORKED TO CAPACITY. WE HAVE GROWN TO BE THE THIRD LARGEST PORT ON THE GULF AND SEVENTH IN THE NATION.

IT IS THEREFORE THE FEELING AND WISH OF OUR COMMITTEE THAT WE CONTINUE TO REMAIN IN THE CONSTITUTION VIRTUALLY AS PRESENTLY PROVIDED.

I SHOULD MENTION, HOWEVER, I AM JUST IN RECEIPT OF A RECOMMENDATION FROM ONE OF OUR COMMISSIONERS, WHICH THE COMMISSION AS A WHOLE HAS NOT CONSIDERED, THAT THE COMMISSION POWERS BE ENLARGED IN THE FOLLOWING MANNER:

THE COMMISSION SHALL HAVE AUTHORITY TO ACQUIRE BY RIGHT OF EMINENT DOMAIN, PURCHASE, LEASE OR OTHERWISE THE LAND THAT MAY BE NECESSARY FOR THE BUSINESS OF THE COMMISSION; TO ACQUIRE BY PURCHASE, LEASE OR OTHERWISE INDUSTRIAL PLANT SITES, AND TO CONSTRUCT INDUSTRIAL PLANTS AND BUILDINGS WITH NECESSARY MANUFACTURING AND PROCESSING MACHINERY AND EQUIPMENT AND THE COMMISSION SHALL HAVE AUTHORITY TO LEASE SUCH SITES, PLANTS, BUILDINGS, MACHINERY AND EQUIPMENT FOR USE AND OPERATION BY PRIVATE ENTERPRISE AS AN ADDITIONAL SOURCE OF REVENUE TO THE COMMISSION.

AFTER THE COMMISSION HAS HAD AN OPPORTUNITY TO TAKE A POSITION ON THIS MATTER SUCH POSITION WILL BE MADE KNOWN TO YOUR COMMITTEE.

The South Louisiana Port Commission was created and established by Article 6, Section 33.1 of the Louisiana Constitution as a self-operative constitutional amendment, there being no legislation enacted to further define or expand the powers and authority of said Commission, except as set forth in said Article 6, Section 33.1. The port area of the South Louisiana Port Commission consists of the Parishes of St. Charles, St. John the Baptist and St. James, which necessarily includes the Mississippi River as its prime said parishes. To the knowledge of the undersigned, only two other port authorities in the State of Louisiana include a three parish or portion of the Mississippi River, those being the Port of New Orleans and the Greater Baton Rouge Port Commission. Thus, these multiparish commissions have much greater geographical authority than single parish port authorities and deserve special treatment in the Louisiana Constitution.

At the present time, the South Louisiana Port Commission has outstanding $17,065,000.00 of bond maturities serially in the years 1973 to 1993, inclusive. Furthermore, this Commission is presently committed to or in the process of negotiating and financing of several substantial port facilities, which projects will enhance the economic development of the port area and the State. One of these projects contemplated the construction and acquisition of a public bulk terminal facility to handle ore and bulk metal products and is projected to cost $17,000,000.00. The State Board and Tax Board already approved such financing at a meeting of said Board held on March 10, 1972. Associated with this terminal facility will be the construction of a $31,000,000.00 steel mill and metallizing pellet plant by a large steel company in this country.

Because of the outstanding bonds of the South Louisiana Port Commission as well as the various projects under consideration, the undersigned would prefer that the powers and authority of the South Louisiana Port Commission be retained in the new proposed Louisiana Constitution. However, it is recognized that the desire of the Constitutional Convention is to adopt a rather brief document incorporating general principles, rights and authorities; and should this Committee see fit to incorporate constitutional authority and powers of all port authorities and port commissions, the undersigned will not assert any objection to such a plan. Nevertheless, should the Committee consider including in the new Constitution one or only several of the existing large port authorities, then it is in the view of the members of the South Louisiana Port Commission that the authority and powers of such Commission as they presently exist be retained in the proposed Constitution.

In the event it is decided by this Committee that all port and port commission material be deleted from the proposed Constitution, it is respectfully requested that the legislative amendments to be proposed in lieu of existing constitutional provisions incorporate all of the present powers and authority of the South Louisiana Port Commission as they appear in Article 6, Section 33.1 of the Louisiana Constitution and R. S. 34:2741.

Respectfully submitted,

S. E. CREEL, PRESIDENT
SOUTH LOUISIANA PORT COMMISSION

March 19, 1973

This statement has been prepared at the request of and submitted to the Committee on Local and Parishal Government for presentation at a meeting of said Committee scheduled on March 19, 1973, in Baton Rouge, Louisiana.

The Committee on Local and Parishal Government has requested a representative of the South Louisiana Port Commission to appear for the purpose of expressing the views of said Commission, orally and in writing, on the proposed revisions of the Louisiana Constitution relative to the organization and authority of ports and port commissions. This statement has been prepared in response to said request.

Statement of

Mr. Smith, President, Association of Levee Boards of Louisiana

Mr. Chairman and Gentlemen of the Committee:

I appreciate the opportunity of again appearing before you.

It is my hope that the views I express will be of some help to you in the work you have been assigned.

As I understand today you are to give particular consideration to the following:

1) The maximum number of days of per diem a levee board member should be permitted to draw each year.

2) If this would be for all his services to his district, including attendance at board meetings, levee inspections, my protestations, and meetings of associations which have as their objective a motion of projects of interest to his levee district, or anything else he is required to do as a board member.

3) The amount of per diem to be paid.

4) What expenses a board member should be reimbursed.
which are incurred in the fulfillment of his duties for... district.

4) Levee board lands - their ownership and management.

Let me first say that if any of the levee board members in our state are abusing their privilege and right to per diem, then I am whole-hearted in agreement with you that these abuses should be corrected. You can be assured that the Tensaas Basin Levee District is not guilty of abuses, and in all honesty, I think that this statement would apply to a great majority of all of the levee boards and levee board members in the state. There may be very few who have treated our... but even though there be only one, I would still feel that the public's interest should be protected by appropriate legislation.

My remarks concerning per diem shall only apply to those boards whose members are entitled to per diem at the present time. They do not apply to the New Orleans board or to Plaquemines Parish where the parish governing authority also serves as the levee board.

As you know, the Association of Levee Boards of Louisiana at its December meeting went on record as recommending that the maximum number of days each year a levee board member should be permitted to draw should be fixed at 30 days. This figure was not one that was picked out of the air, but was arrived at after considerable deliberation and discussion concerning just what levee board members were doing in carrying out their responsibilities to their respective districts and how much of their time was being spent for that purpose. This matter was again considered by the Executive Committee of the Association and again approved by it at a meeting held here in Baton Rouge on March 7.

To show you that the 30 day figure is realistic, I feel that I should call to your attention exactly what the responsibilities of

being a levee board member are. I am more familiar with the Tensaas Basin Levee District than any other, so I will use this board as an example. The Tensaas Basin Levee District comprises all of part of eight parishes. It extends from the Arkansas line south to where the Black River enters the Red, and is bounded on the south by the Red. The district is more than 100 miles in length and would probably average about 30 miles in width. It maintains over 100 miles of levees on the Ouachita and Black Rivers, the Monroe and west Monroe flood walls, the Columbia and Jonesville, Louisiana ring levees and flood walls and all of the major drainage arteries in the district. It also shares responsibilities with the Southeast Arkansas Levee District of maintaining the levees on the west side of the Mississippi River from a point near McGehee, Arkansas south to the Louisiana line. There is considerable construction in the district, particularly in Caisohoula and Ouachita Parishes at the present time. For fiscal year 1973 the Congress appropriated approximately $10,555,000.00 for projects in the district of interest to the board. The board will furnish rights of way in some instances for these projects and will also have maintenance responsibilities for them. Con-
spent two days in February of this year in studying emergency procedures and techniques which might have to be used for flood fights this year. They have to stay on top of the flood potential problem in their parish, because they are the levee board as far as the people of their parish are concerned. In my humble opinion they in truth and fact will spend parts of far more than 30 days each year serving their district and its people for these purposes alone.

As shown above, the individual members of the Tensas Basin Levee District will spend far more than 30 days carrying out their responsibilities to the board. Even though this is true, these men want to make a meaningful contribution to the district and the 30 day limitation on per diem would be unreasonable and fair. In some instances they would not draw the per diem they would be entitled to, but certainly if they wanted to claim it they should be available to them.

**THE AMOUNT OF PER DIEM**

I have recommended $50.00 per day to be paid as per diem. If the right men are appointed to the boards where else could you get men of this caliber to serve so cheap? This figure would be fair to the men of limited means who sincerely want to serve and would not the number of means who might not even draw his per diem feel his services were appreciated and worth something to his district.

**EXPENSES**

I respectfully submit:

That levee board members should be paid $1.25 per mile when they use their own car for their board's business as mileage and be reimbursed their actual other expense incurred on board business. This does not mean they should have a suite in the finest hotel, but to the contrary accommodations and food consistent with what they would have if they were being paid for with their own money. I too think that if they pay for a meal for a member of the Corps, a member of Congress or anyone else where business of value to their district is involved, this too should be reimbursable. This is big business for our state and should be treated accordingly. Certainly any expense item should be documented and closely scrutinized when the board is audited.

**LEVEE BOARD LANDS**

I believe that the various levee boards in our state are doing a good job in looking after the lands owned by them. Certainly the local board member knows the best potential for these lands and whether or not their best use is as agricultural or timber lands. State law requires that before lands can be leased, bids must be solicited to the lease awarded to the highest bidder. Where surface rights are involved, the lease cannot be for more than five (5) years. Mineral leases must be approved by the State Mineral Board and these leases cannot be for more than three (3) years.

I find that the Tensas Board has the opportunity of leasing 1,600 acres for agricultural purposes far better than other public bodies. At the present time we own a total of approximately 3,500 acres of land. A large portion of these lands is not agriculturally attractive. The board generally will accept $15.00 per acre or a percentage of the crop, whichever be the greater, if the lands are in
cultivation at the present time. At its meeting held Tuesday, March 13, the board accepted a lease proposal on 430 odd acres of cut-over lands owned by it in Catahoula Parish, Louisiana on the following terms:

A) $1.00 per acre cash rent per year.

B) The lessee must clear and make ready for cultivation at least 100 acres of this land by January 1, 1974 and must clear the balance by January 1, 1975.

C) A five (5) year primary term.

This means that this lessee will have to spend approximately $100.00 per acre over the five-year primary term to improve these lands. You can readily see that this means the board is actually receiving about $20.00 per acre each year for the lease. At the end of the five-year primary term, the lands will be worth far more than $100.00 ever and above what they were at the time this lease was originally entered into.

In these instances where the surface of levee board lands is unsuitable, either for agricultural or timber growing purposes, Louisiana should enter into some agreement with either the Department of Wildlife and Fisheries or the State Park Commission for these lands to be made available as recreation areas to the general public. This would mean the title to these lands should be diverted from the levee board, but simply would be an agreement between the board and another agency giving this other agency the right to develop the lands for the best interest of the general public.

In these instances when an application is made to a levee board for a mineral lease, the board generally refers the matter to the State Liner 1 Board and this agency has to the matter. We find that this has been advantageous both to our board and to the public as a whole. Part of that portion of the levee board land situated in Catahoula Parish, Louisiana is located in what is generally referred to as the mineral leases be handled by the State Mineral Board or by the boards direct. I do believe that it is being handled fairly and properly and to the public's best interest.

In conclusion, let me state that the lands which were originally transition to the various levee boards in the state were lands of little value at that particular time. They were swamp lands generally considered unsuitable for anything but to raise timber and wildlife. As you know, hardwood timber grows very slowly. As a consequence, I cannot believe that the levee boards in selling these lands and getting them on the tax rolls made any error in judgment. The monies received from these sales were used in building the levee system we presently enjoy in our state.

I respectfully submit that the levee boards should retain their lands and should continue handling them as they have in the past. You can rest assured that the Tensas Board is doing a good job insofar as its lands are concerned, and I believe that this also applies to the other levee boards in our state.

In conclusion, let me again state that I appreciate this opportunity of appearing before you.

Respectfully submitted,

[Signature]

Weldon T. Smith, President
Tensas Basin Levee District and
President
Association of Levee Boards of Louisiana

NOTES

Listing of lands owned by Tensas Basin Levee District by parish and township is omitted.

Remarks by Major General Charles C. Noble, President, Mississippi River Commission, and Division Engineer, Water Mississippi Valley Division, before the Committee on Local and Parish Government of the Louisiana Constitutional Convention, Baton Rouge, Louisiana, 20 March 1973.

Mr. Chairman, my appearance before your committee this morning is in response to your invitation, and I am pleased to have the opportunity to discuss with you and the members of the committee facts about our work in Louisiana and our relationship with levee boards.

We have several major projects in Louisiana to protect citizens of this state against floods and devastating hurricanes. Probably our best known is the Mississippi River and Tributaries Project, which includes protection works along the Mississippi River and in the Tensas, Atchafalaya, and Lower Red River Basins. We also have projects along the Red River below Denison Dam and on the Ouachita River. In addition, we are reconstructing or planning four hurricane protection projects for the benefit of residents of coastal Louisiana. These projects are Lake Pontchartrain and vicinity, New Orleans, to Venice, Morgan City and vicinity, and Grand Isle and vicinity.

These major projects which will cost several billion dollars to complete.
are not entirely Federal responsibilities. Your State and local interests have substantial requirements imposed by law which must be met to qualify for Federal participation. As an example, the Flood Control Act of 1928, which established the Mississippi River and Tributaries Project, requires States and levee districts to maintain completed works and to provide necessary rights-of-way. Other legislative acts authorizing other projects have similar requirements.

The state of Louisiana and the various levee boards have done a very good job not only in providing these assurances, but in complying with them. As a result, this state has continued to qualify for major Federal investments in flood control over the years with a marked increase in the level of protection to the state against high water. But the work is by no means complete.

Current conditions on the Mississippi River remind us that serious floods are still possible. A coordinated, well-maintained system of protective works is just as necessary today in the Lower Valley as it was, say in 1927. Hence, because of the greater hazard to property and life in view of the buildup which has taken place since that time.

A comparison of stage readings at Cairo, Illinois, for this season and for the months preceding the 1927 and 1937 floods shows the potential seriousness of the situation that existed then. In December, stages were well above those experienced prior to both of these major floods. For a while, the river looked poised for a major flood, but as January and February wore on without major flood-producing precipitation in the Mississippi Basin, the flood threat diminished somewhat. However, heavy rains in recent days have reversed the falling trend and the river is once again on the rise.

The river hydrographs at the Cairo gage since October show a remarkable parallel between the current situation and that which preceded the 1927 flood. We are closely watching the situation.

Last month, we conducted a flood fight exercise throughout the valley. In view of the high river, the exercise had a very special significance this year. We had no trouble working up enthusiasm with our own people and with the levee boards and other agencies we invited to participate. We had a good response from all participants.

We also took certain anticipatory actions to be ready in event of trouble, such as testing the gates of the Bonnet Carre Floodway above New Orleans, and dredging the forebay of the floodway to provide a more efficient entrance into the floodway in the event it becomes necessary to use it this year.

Members of the levee boards participate in these flood fight exercises as well as the real ones. In time of real floods these boards have the initial responsibility for the flood fight. Over the years these boards have demonstrated an effective ability to recruit labor and to obtain equipment and facilities to combat an emergency. We believe they are successful in this because being local organizations, they know the people and conditions in the area. Our Districts back up the levee boards and mobilize when it becomes apparent that the flood would exceed the physical capabilities of the levee boards.

From the standpoint of the Corps of Engineers, the levee board concept has proven to be an effective way to carry out the local assurances required by law.

We have found the local nature of the levee boards to be a key advantage in obtaining rights-of-way and rights-of-entry and in maintaining landside drainage. Real estate is often a time-consuming problem for us, and levee boards, by knowing the landowners involved, have been able to obtain land and entry agreements promptly and with far less difficulty than we would have experienced. The boards have had additional responsibilities placed on them by Public Law 91-646, the Uniform Relocations and Assistance Act. This legislation has made the acquiring of rights-of-way a more complex and expensive procedure in order to protect the interests of those whose homes and businesses have to be relocated because of a Federal or Federally-assisted project. The boards are responding to this new statutory requirement, and we are working together in resolving the problems inherent in the turnover of this responsibility to local boards.

We believe the local nature of the boards also facilitates the maintenance of landside drainage because of personal knowledge of existing drainage systems.

We have found these "grass roots" organizations very effective in handling permits for work on or near levees. The levee boards must quickly note changes and take action to preserve the integrity of the levee systems by preventing unauthorized encroachments and detrimental construction activities. They must police the levees, guarding against improper hunting, burrowing wild animals, and other activities which might harm the protective works.

No less important to the integrity of the protective works is the routine, unglamorous task of levee maintenance which is absolutely essential to insure continuation of a substantial, viable levee system. The importance of this day-in, day-out mission cannot be over emphasized, as one tree or one woodchuck hole can be the weak spot which will lead to a major crevasse in time of flood.

We in the Corps feel that the local cooperation required by law is being well provided by the Louisiana system of coordinated state and local entities whose principal concern is the flood protection system. Based on many years of civil works experience, the system of a coordinated state and local effort in Louisiana, is the best I've seen anywhere. We in the Corps enjoy an excellent relationship with your Department of Public Works and with your levee boards. They are responsive to the requirements of the Federal government and to the flood protection needs of their people. Their job is a vital one, and one that has to be performed for the well-being of millions of Louisiana citizens.

That concludes my prepared statement, Mr. Chairman, and I will be glad to answer questions pertaining to relationship between the Corps and the levee boards.
I am Frank Merrick, Vice-President of the Board of Commissioners for the Atchafalaya Basin Levee District.

Mr. C. O. Watts, President of the Board, requested me to present this statement on behalf of the Levee Board and the District.

The Atchafalaya Basin Levee District contains approximately 2 million acres of land, of which about 1 million acres are cleared, and also have major highways, railroads, cities, industries, utilities, agricultural areas and many other extensive developments.

The Flood Control system in the Atchafalaya Basin actually protects a total area of about 5 million acres, which includes many developments outside the jurisdiction of the levee district. Therefore, this levee district has a tremendous responsibility to South Central Louisiana to see that this flood control work is carried out adequately to prevent flood disasters in the area. This Levee District has the problem of containing the total Mississippi River and tributaries project flood flow, which passes through the district. This is true since our District contains both the Mississippi River and the Atchafalaya River and floodways, the only 2 outlets at this location: flood flows are routed to the Gulf from 41% of the nation or a portion of 39 states.

The East and West Atchafalaya Basin Protection Levees that are maintained by this Board, at the expense of the taxpayers of this district, carry a portion of the water from the Mississippi River through the Atchafalaya River outlet, to the Gulf of Mexico, during periods of high water. ALL AREAS SOUTH OF MORGANZA, LOUISIANA, ON BOTH SIDES OF THE MISSISSIPPI RIVER, including the CITY OF NEW ORLEANS are benefited by these levees.

We therefore appeal to this Committee on Local and Parochial Government to leave the function of the levee board in local hands, rather than be consolidated into or with another state agency, since those whose lives and property are protected by this district's levees have the greatest interest in preserving the integrity of existing levees, in proposing and maintaining their improvements and in the construction of additional protection levees where needed.

We further request that present methods of appointing commissioners by the Governor, upon recommendations of the local members of the legislature, be continued. Levee board members actively participate in planning and promoting levee projects, as well as other related flood control works, such as appearing at public hearings held by the Mississippi River Commission, the U. S. Corps of Engineers, Congressional Committees and other Federal, State and local agencies, in support of and in promotion of Public Works projects. Levee Board members provide local contact with other residents of the areas affected by the Public Works programs, which include negotiations and settlements for damages with local property owners involved in relocations and removals of their improvements, as well as administer the recently enacted Uniform Relocation Act (Public Law 91-646). Much of this action is necessitated by the fact that many miles of levees in this District have not been completed to grade and section.

We further request that this levee district not be consolidated into local governing bodies since there are all or parts of 11 parishes within the boundaries of the district.

On behalf of the Board of Commissioners for the Atchafalaya Basin Levee District, I wish to thank you for the invitation to appear before the Committee to express our views in this matter.

* * * *

March 20, 1973

OUTLINE OF POSITION
OF
BAYOU LAFOURCHE FRESH WATER DISTRICT
TO THE
COMMITTEE ON LOCAL AND PAROCHIAL GOVERNMENT
CONSTITUTIONAL CONVENTION '73

In 1903 Bayou Lafourche was severed from the Mississippi River at Donaldsonville as a flood protection measure. At the time the bayou was dammed, it was understood or believed that locks would be installed at Donaldsonville to permit the continued flow of fresh water and to provide for commercial water transportation. The locks were never built. Bayou Lafourche became a stagnant bed of water and a serious hazard to the health of the people. As of 1950, there were thousands and thousands of residents along the banks of Bayou Lafourche in the parishes of Ascension, Assumption and Lafourche who suffered for lack of fresh water despite the fact that running through the parishes was a natural stream capable of providing millions and millions of gallons of fresh water, but which stream was prevented from carrying out its natural function by the dam at Donaldsonville.

In 1950, the legislative leaders from our area sought to rectify this critical situation but they found that under our constitution as written the legislature did not have authority to create an agency to fulfill this dire need of re-inserting fresh
water into Bayou Lafourche from the Mississippi River. They found that the proposed agency would not be a drainage district. It would not be a levee district. Thus it would be a unique agency, the only one in the state which would have for its purpose the drawing of water from the Mississippi River and inserting it into a stream to provide fresh water to the populated areas along its banks.

Accordingly, in 1950, the foresighted legislators from our area conceived a plan to alleviate this terrible situation. These men were Messrs. Leonard J. Toups, who now serves as Chairman of our Board, and Paul Dufrene, both of Lafourche Parish, Clarence Savoie, of Assumption Parish and Velpeaux Smith, of Ascension Parish. They authored House Bill No. 223 of 1950 proposing a constitutional amendment to authorize the creation of the Bayou Lafourche Fresh Water District, a subdivision of the State of Louisiana for the purpose of furnishing fresh water from the Mississippi River to the incorporated villages, towns and cities along the banks of Bayou Lafourche. The resolution was adopted and the amendment was approved by the people of the State of Louisiana and is now Article 15, Section 3 of the present Constitution. As thus authorized, the State Legislature by Act 113 of 1950 created the agency known as Bayou Lafourche Fresh Water District.

The constitutional amendment specified that the district would be governed by a Board of Commissioners, seven (7) in number, one (1) from Ascension Parish, two (2) from Assumption Parish and four (4) from Lafourche Parish, based on population of each parish, to be selected and appointed by the Police Jurors of the respective parishes for terms of four (4) years from the effective date of the act creating the district.

As we appreciate the issue before this committee the question arises as to whether the Bayou Lafourche Fresh Water District, perhaps along with many other special districts, should be removed from the Constitution and left to be dealt with purely by the Legislature. Gentlemen, we would be naive were we to deny that there exists a mood in this state to streamline our Constitution and to remove therefrom provisions relating to special districts such as the Bayou Lafourche Fresh Water District. The members of our Board recognize this fact. On the other hand the instinct for survival is the strongest instinct known to man. Our Board wants to survive. I have been instructed to summarize the history of the operations of the Board and to invite you to study its accomplishments. Since its creation in 1950, the Board has been governed by seven (7) men and throughout this period, it has received the service of high minded, civic leaders who were willing to sacrifice their time and to offer their leadership to accomplish the important goals envisioned by the authors of the project. There is not a private corporation which could employ a Board of Directors with men as competent as have volunteered to serve on this Board, without the payment of extremely high compensation. Our Board members serve virtually without pay.

Through it's pumps at the Walter S. Leeman Pumping Station in Donaldsonville the District can insert 260,000 million gallons of water a day into Bayou Lafourche. At certain times of the year when the river is at 17 1/2' mean sea level at Donaldsonville, these pumps can siphon into Bayou Lafourche at approximately 502 of capacity or 130 million gallons of water per day. This adequate flow of water through the entire length of Bayou Lafourche in addition to providing potable fresh water for the residents, serves the additional purpose of holding back salt water in Bayou Lafourche which is beginning to intrude northward up to a point near Lockport, Louisiana. It is anticipated that within two years, our district will be serving approximately 250 thousand people with fresh water. Last year a forty year contract was executed between the Bayou Lafourche Fresh Water District and the Terrebonne Water District No. 1 to provide fresh water to many areas of Terrebonne Parish. In the not too distant future, it is highly likely that the whole of Terrebonne Parish, including the City of Houma, will be dependent upon this source of water because of the salt water intrusion problem.

Thus it can be seen how very vital is the function served by this important state subdivision. As a result of the marvelous record accomplished by this Board over its history since 1950 in keeping free of political scandal and corruption and in view of its importance to the people it serves, our Board wishes to emphasize that the continued existence of the agency in its present form is of paramount importance to our people. If this convention should make one single exception and provide continued constitutional security to any previously existing constitutional board or agency, we humbly submit that the 250 thousand people depending upon fresh water from Bayou Lafourche would be entitled to the exact same consideration. Our preference would be to be left alone as we have been in the past, clothed in constitutional security, to continue our dedicated service to our people. We recognize, however, that a possible constitutional crisis is upon us and that a practical solution should be sought to avoid this crisis. Therefore, if it is the considered judgment of this committee that a recommendation should be made to the convention as a whole that all special and local districts should be removed from the Constitution, then and in that event, the Board of Commissioners of the Bayou Lafourche Fresh Water District would abide in the judgment of the Committee. It is the strong recommendation of our Board, however, that in such event, a provision be inserted in the proposed Constitution to the effect that any legislation seeking to change the existence, configuration, membership or status of a presently existing constitutional board or agency, should be only by 2/3 vote of both houses of
the legislature. This, our Board feels, would permit the continued existence of the Bayou Lafourche Fresh Water District as presently constituted and would provide a safeguard against abolition or emasculation by a simple majority of the members of the legislature. It is submitted that this proposal could be incorporated into the new constitution by a simple reference and would be compatible with the expressed desires to have a streamlined basic organic law.

Respectfully Submitted:
LEONARD J. TOUPS, CHAIRMAN
BOARD OF COMMISSIONERS,
BATON LAFOURCHE FRESH WATER DISTRICT
AND
CHARLES J. LE BLANC, ATTORNEY

RECREATION AND PARK COMMISSION
FOR THE PARISH OF EAST BATON ROUGE

REPORT TO THE COMMITTEE ON LOCAL AND PAROCHIAL GOVERNMENT
MARCH 20, 1973

The East Baton Rouge Parish Recreation and Park Commission proposes that under the revision of Article 14 of Louisiana's Constitution that it be retained in the constitution in the interest of governmental efficiency and economy and otherwise providing special taxing powers. This Article 14 establishes the legal rights, powers and duties, including the consolidation of all recreation activities in East Baton Rouge Parish.

The Commission believes this is most important because:
1) It gives more permanent status to the commission protecting its A-1 Bond Ratings for Bond Borrowing.
2) It would keep a united Recreation and Park District whereby large projects would be supported throughout the district and the larger projects already in operation, such as the zoo, arboretum, stadiums, large park areas, would be better planned, constructed and operated. Regional planning has given emphasis to this type government for better operations.
3) Because the Recreation and Park Commission is located in Baton Rouge, the constitution would give more protection to its home rule and that future commission operations could not be over influenced by state interest located in this area.

The commission now operates 66 parks in East Baton Rouge Parish and is the largest recreation and park operation in the state. This commission was recognized as one of the five top departments in the United States in the field of recreation and park management by the National Gold Medal Awards Commission of Chicago last year.

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Report to Committee on Local and Parochial Government
Page 2

4) It would continue to facilitate our borrowing power with local banks, since we have to borrow money in advance of our operation. (Through court action it has been established that the commission can borrow funds for operation.)
5) We have had only one amendment in 25 years to change taxing limits from one to two mills. With the authority of the commission being established in the constitution, it has had little affect on the operation of the constitution.
Minutes of the Committee on Local and Parochial
Government of the Constitutional Convention of 1973

Held pursuant to notice mailed by the Secretary of the
Convention on April 2, 1973
Natural Resources Building, Mineral
Board Hearing Room, Baton Rouge, Louisiana
April 9, 1973, 10:00 a.m.
April 10, 1973, 9:00 a.m.

Presiding: Chalin D. Perez, Chairman of the Committee on
Local and Parochial Government

Present: Chalin D. Perez
Joseph Conino
Terry Reeves
R. Gordon Kean
Harvey W. Cannon, Jr.
Ethan Chatelain
Norman "Pete" Heine
Edward D'Orcolano
Joseph Ciarrusco, Sr.
George Dewey Hayes
Walter Lanier, Jr.
V. C. Shannon
Dorothy Mac Taylor
Joseph F. Tooney
Dr. Frank Ullo
Mary Servignon

The chairman welcomed Honorable Norman E. "Pete" Heine,
mayor of Baker, as a member of the committee, appointed by
the governor as a replacement for Mayor Tom Colten who resigned.

Mr. Fred Benton, a member of the law firm of Benton,
Benton, and Dodson, Baton Rouge, was introduced, and stated
that the concept of eliminating special districts in the
constitution is a good one. He explained that constitutional
status of special districts does not insure better bond ratings,
and once the rating services understand the law has been
changed, it will not affect the bond ratings. He voiced his
approval of granting broad powers to the legislature, but
stated it should be done clearly, strongly, and free of
ambiguity. Mr. Benton concurred with Judge Tate's suggestion
concerning a quasi-constitutional treatment of certain material;
however, he stated that there are some agencies such as the
Sabine River Authority and the Lake Charles Harbor and Terminal
District, that should be retained in the constitution. He
suggested several changes in the wording of the Law Institute's
draft, and requested to meet with the committee at a later
date to review these changes. Mr. Perez stated the committee
would welcome specific recommendations.

The chairman introduced Mr. John W. Cox, a member of the
law firm of Cox, Huppenbauer, Michaelis & Osborne, New
Orleans. Mr. Cox stated that a strong effort must be under-
taken "to do what is right for the state, not what is
necessary to protect some particular board member." He
asked the committee to grant power to, and impose, the
necessary obligations on the elected governmental officials
to permit them to perform their job. Mr. Cox explained there
is no distinction in being in the constitution or in the
statutes concerning the issuing of bonds. He requested an
opportunity to review the committee's draft primarily to
consider the effect of its adoption. He stated that there
are certain boards that must be protected; however, if the
committee permits "this type of dynasty (such as the Board of
Liquidation) to be placed in the constitution, I will question
whether this convention has actually served the interest of
the citizens of this state."

The chairman then recognized Mr. Nanly W. Mumford with
the law firm of Chapman and Cutler, Chicago, Illinois. Mr.
Mumford offered several recommendations, detailed in a memo-
randum which he submitted and which is attached and made a
part of these minutes.

Mr. Walter Kingston with Kohlmeier and Company, invest-
ment brokers, New Orleans, was introduced. Mr. Kingston
stated if bonds are legally authorized, and there is a broad,
general grant of power in the constitution by which the
legislature may authorize bonded indebtedness, this is all
that is necessary. However, he explained that certain bonds
that have been issued should be protected by constitutional
reference or by quasi-constitutional treatment.

The chairman recognized Mr. Leo Sabatine, associated
with the law firm of Wood, Dawson, Love and Sabatine, New
York. Mr. Sabatine explained that reference in the constitu-
tion to a local governmental unit does not give it a better
position for selling bonds. He suggested that the committee
submit a questionnaire to the rating agencies to see what
effect a constitutional change would have. Mr. Sabatine
stated outstanding bonds of the New Orleans Dock Board
and the New Orleans Levee Board would not be affected if
these agencies are removed from the constitution.

Mr. Allan C. Arnold, stock and bond broker associated
with Howard, Weil, Labouisse, Friedricks, Inc., New Orleans,
was introduced. He emphasized the desirability of simple
language in the constitution relative to the subject of
bonds. He felt that the present constitutional status the
Board of Liquidation of City Debt is worth approximately .05
interest points on the bond market, and that the removal of
the board from the constitution would not weaken the rating
of the city bonds, but could have some effect upon the
marketability of them.

The chairman recognized Mr. Charles F. Gaennie, Jr.,
director of State Debt Management, Baton Rouge, Louisiana,
who was representing State Treasurer, Mrs. Mary Evelyn
Parker. Mr. Gaennie voiced his support of the Law Institute's
draft, and stated that the bonding authority should be a
legislative prerogative.

Mr. Harold Judell, of the law firm of Foley, Judell,
Beck, Sawley, and Landwehr, New Orleans, was introduced.
Mr. Judell did not feel it essential for any particular body
to be in the constitution to effectively sell bonds at
favorable interest rates. He also stated that there is no
effective debt limitation that can be levied. Mr. Judell
was in favor of restoring full bonding power to the state
legislature.
Tuesday, April 10, 1973.

Present: Chalin O. Perez
I. Jackson Burson
Joseph Conino
Johnny Jackson, Jr.
Terry Reeves
P. Gordon Keen
Harvey W. Cannon, Jr.
Ethan Chatelain
Norman "Pete" Heine
Edward D'Gerolamo
Joseph Giarrusso, Sr.
George Dewey Hayes
Walter Lanier, Jr.
V. C. Shannon
J. E. Stephenson
Joseph F. Toomy
Mary Iervigon

Absent: H. M. Fowler
Dorothy Mae Taylor
Dr. Frank Ullo

The chairman introduced Mr. Danny Magee, director, North Delta Economic Development District, Monroe, Louisiana.

Mr. Magee explained the background of development districts. He stated the boards are appointed by the local governing unit and vary in size from thirty-one to thirty-two members. There are presently numerous funding sources: however, these districts were originally funded by the E.D.A. with 75 percent federal and 25 percent local funds from Housing and Urban Development. Mr. Magee recommended the development districts remain as flexible as possible.

Mr. Jerre Dyson, planning director, Louisiana Department of Public Works, was introduced, and gave a brief resume of events leading up to the planning activities under the jurisdiction of the Department of Public Works. Mr. Dyson explained that the department took full advantage of the federally funded local assistance planning program, and offers this program to all areas of the state. He stated that the Regional Planning Commission must remain flexible. Mr. Dyson concurred with Mr. Keen's suggestion of a broad approach to intergovernmental cooperation in the new constitution.

The chairman recognized Mr. Leon Tarver, director, Intergovernmental Relations Commission. Mr. Tarver advised the committee that the Intergovernmental Relations Commission acts as the state clearing house, and it has also been legislatively charged with the responsibility of designating planning districts. Mr. Tarver stated that his agency did require constitutional status, and was organized pursuant to legislative mandate.

Mr. Pat Ryan, director, Louisiana Office of State Planning, was introduced, and explained the creation and functions of his office. He emphasized the importance of the influence of elected officials and the citizenry in the affairs of the government. Mr. Ryan asked that planning not be locked into the constitution.

The chairman then recognized Mr. Jackson Phillips, vice president and director, Municipal Bond Research Division, Moody's Investors Service, Inc., New York, New York. Mr. Phillips outlined his views with respect to bond rating to the committee, and his comments were presented to the committee in written form, a copy of which is attached to these minutes.

Mr. Lee F. Murphy, manager, Municipal Bond Department of Paine, Webber, Jackson, and Curtis, Inc., investment brokers, New Orleans, Louisiana, stated that nothing is to be gained by having bond issues placed in the constitution.

Mr. Joseph Bernstein, representing the Council for a New State Constitution, was introduced, and offered several recommendations made by the council. He stated that the council feels there should be a constitutional provision concerning the limitation of state debt, and the State Bond Commission should be strengthened. Mr. Bernstein explained that the state's credit would not suffer by having the various agencies and groups removed from the constitution. He concurred with the committee's request to submit these recommendations in writing to the committee within thirty days.

Mr. deLesseps Morrison, Jr., representing the Council for a New State Constitution, was recognized and stated that the council passed four resolutions concerning local and parochial government. A copy of these resolutions is attached and made a part of these minutes.

The chairman assigned members to four additional subcommittees as follows:

1. Subcommittee on Special Districts, Transportation, Ports, and Harbors
   Terry Reeves, Chairman
   Frank Ullo
   Harvey Cannon
   Ethan Chatelain
   George Dewey Hayes

2. Subcommittee on Special Districts: Sewerage, Water, Levee, and Other Related Districts
   Joseph Conino, Chairman
   H. M. Fowler
   V. C. Shannon
   J. E. Stephenson
   Pete Heine

3. Subcommittee on Affairs of the City of New Orleans
   Johnny Jackson, Jr., Chairman
   Mary Iervigon
   Joseph Giarrusso
   Dorothy Mae Taylor

4. Subcommittee on Finance
   Joseph Toomy, Chairman
   Walter Lanier, Jr.
   Ethan Chatelain
   I. Jackson Burson
   P. Gordon Keen
   Mary Iervigon

The chairman scheduled various members to attend the Composite Committee hearings to insure committee representation if the chairman could not be present.

Following discussion, it was decided the committee would meet as a whole and break into the various subcommittees
at the next scheduled meetings on April twenty-seventh and April twenty-eighth.

The committee adjourned at 4:00 p.m.

*Signature*

R. Gordon Arn, Secretary

**MEMORANDUM**

Re: Louisiana Law Institute Proposals for Constitutional Provisions Affecting Financing of Political Subdivisions

By and large the law Institute proposals present a welcome simplification of existing provisions of the Louisiana Constitution affecting local governmental finance. The following comments are submitted for consideration. Underlined language is recommended for insertion, bracketed language for deletion.

1. Under proposed Section 19, the phrase "political corporations" might be changed to "political subdivisions" to correspond with the language both in other sections of the proposed constitution and with Section 103(a) of the United States Internal Revenue Code, declaring interest on bonds of political subdivisions to be exempt from federal income taxation.

2. Section 20 might be improved by causing the first three lines to read:

"The full faith and credit of every political subdivision shall be hereby pledged to the payment of principal of and interest on all bonds issued by it that arc..."

3. In the second sentence of said Section 20 the first two lines might be changed to read:

"The governing authority of the issuing political subdivision shall levy and collect or cause to be levied and collected on all..."

4. The last line of Section 20 might read:

"and interest on such [the] bonds as they mature..."

5. Section 21 will doubtless be changed to comply with the United States Supreme Court decisions in the Cimbrano and Phoenix cases to eliminate the taxpayer requirement for voting in bond elections. In view of the 1973 decisions of that Court involving watershed improvement districts and irrigation districts, it might be possible to add, to the end of the first sentence of Section 21, language somewhat as follows:

"The Legislature may by general, special or local law provide for voting by individuals, partnerships and corporations on any reasonable basis in elections on the incurring of debt or imposition of taxes or assessments by districts established solely for the drainage or irrigation of land therein or other benefits to land therein."

6. In the second sentence of Section 21, the third line from the bottom of Page 45 might read:

"deposited in escrow in an adequate amount, with interest, to be utilized..."

If bonds being refunded cannot be immediately retired under their terms, the proceeds of the refunding bonds are generally deposited in escrow and invested in interest bearing obligations of the United States of America or its agencies. The amount initially invested, and consequently the amount of refunding bonds which must be issued, can be diminished if, in determining how much money must be escrowed, the issuer can include interest to be received during the period of the escrow.

7. In Section 22A, the first line might be changed to read:

"Bonds which are payable wholly or in part..."

If the debt limit imposed by this Section is to be fully effective, it should not permit an ad valorem tax bond issue to be excluded from the operation of the debt limit simply by making it payable from some source in addition to ad valorem taxes, especially if there is no requirement that such other source be sufficient to pay all or any part of the bonds. In cases where the revenues of a utility will be sufficient to pay only part of the cost of financing that utility, revenue bonds, which are not subject to the debt limit, could be issued and their proceeds supplemented as necessary with the proceeds of ad valorem tax bonds.

8. Also in Section 22A it might be well to show clearly that a parish-wide school district may exist, for purposes of the additional debt incurring capacity, even though there be a municipality within the parish which operates its own schools.

9. As drafted Section 22A bases the debt limit on the assessed valuation rather than the true value of taxable property within the issuing body. If all assessments in the State are to be raised to full cash value, this will result in a substantial increase in debt incurring power. Some states base their debt limit on the reasonable fair cash value of the taxable property and, where property is assessed at a fraction of reasonable fair cash value pursuant to statutory requirement, the debt limit is computed on the basis of the higher value. Board of Education of Rich County School District v. Passey, 246 P2d 1078 (Utah, 1952). This helps to prevent the loss of debt incurring power which occurs when assessed values fall below reasonable fair cash value.

10. In the third line of Section 23A the word "of" should be "or".

11. The second line of Section 23A might be changed to read:

"the issuance of bonds (whether payable from ad valorem taxes, excise taxes, special assessment, utility revenue, or other sources of a political subdivision)...

12. Section 24C should affirmatively show that the debt limit will not be applicable to general obligation special assessment bonds if the assessments in anticipation of which the bonds are issued, with interest, will upon collection when due, be sufficient to pay principal of and interest on such bonds.

13. The fourth line of Section 25C might read:

"utility or combination thereof [public utility]. The bonds may be paid out of cash received..."
certain facilities which are often financed by revenue bonds, such as hospitals, airports, port facilities and parking facilities. It is often desirable to finance facilities on a combined utility basis, particularly water and sewer facilities. Some Louisiana cities, which have outstanding revenue bonds secured by revenues from two or more sources, could have difficulty in further financing if this method were not allowed.

14. In Section 27A the fifth line might read as follows:

"Vide funds for the establishment and furnishing (erection and maintenance) of industrial..."

Bonds should not be issued for maintenance purposes and "establishment" should cover both the erection and the acquisition and conversion of existing facilities and also the acquisition of land.

15. Section 27A should more clearly show whether industrial development bonds can be issued for equipping an existing facility when the facility itself is not acquired with industrial bond proceeds. This is particularly important in questions involving bonds for pollution control purposes.

16. The seventh line of Section 27A might read:

"Agricultural products, or to provide property, nuisance, or pollution control...as...for...control...activities...to...issue...bonds...and...use...the...funds..."

17. In said Section 27A there are seven clauses beginning with the word "to" and the suggestion above would establish an eighth such clause. Apparently, the first two such clauses (and the clause suggested in the preceding paragraph) relate to the phrase "in order" in the third line and the remaining five such clauses relate to "authorize any political subdivision" in the second line. It would help if the first two clauses (or three clauses, if the suggestion in Paragraph 15 is adopted) commence with (1), (ii) and possibly (iii) respectively.

18. As to whether constitutional status would give a Louisiana local government unit a better position on the bond market, the views of the rating agencies (primarily Moody's and Standard & Poor's) and some of the dealers who buy Louisiana bonds should be obtained. It is the personal view of the writer that a constitutional requirement for the levy of taxes to pay general obligation bonds would probably not make much difference in selling the normal bond issue under present market conditions, but in time of depression or other circumstances when purchasers feel particularly concerned that taxes might not be levied in sufficient amounts, the provision would be valuable. Although the Rodriguez case (in which the United States Supreme Court was asked to hold that the School District method of financing public education violates the Equal Protection Clause of the 14th Amendment to the United States Constitution) has been decided by the United States Supreme Court in favor of upholding the school district system, it may be that the social pressures which generated such litigation will be expressed in attempts to obtain legislative modification of that system. A fear that such legislation might attempt to substitute some other source of payment than ad valorem taxes for school bonds, and leave the bondholder with a bond of less value than he had bargained for could damage the marketability of school bonds; such a fear did in fact damage the marketability of school bonds throughout the country in the latter part of 1971. For this reason, I do recommend that the constitution contain a provision such as Section 20.

Respectfully submitted,

Manly W. Munford
Chapman & Cutler
111 West Monroe Street
Chicago, Illinois 60603

Munford
4-5-73

STATEMENT BY MR. JACKSON PHILLIPS
VICE PRESIDENT AND DIRECTOR
MUNICIPAL BOND RESEARCH DIVISION
MOODY'S INVESTORS SERVICE, INC.
NEW YORK, NEW YORK

PRESENTED BEFORE THE COMMITTEE ON LOCAL AND PAROCHIAL GOVERNMENT
April 10, 1973

My name is Jackson Phillips, and I am a Vice President and the Director of the Municipal Bond Research Division for Moody's Investors Service, Inc., which is headquartered at 99 Church St., New York City, New York. Among other things, my firm provides investors with credit ratings for all governmental issuers of bonds in the United States. We continually study and appraise the financial and debt policies of governmental issuers in order to judge and advise on their credit worthiness. Our service is a private undertaking, but we work closely and cooperatively with bond issuers.

My purpose here today is to respond to your request, expressed through the letter from Mr. Walter I. Lanier, Jr. That was, that I state our views regarding certain problems being considered by the Committee on Local and Parochial Government concerning local government finance.

My views pertain solely to credit factors involved in debt issuance. By this I mean to separate out "market factors" which relate to judgments having to do with the marketing of bonds. An interest rate on a bond, in other words, may be influenced by credit factors and by market factors, among others. A credit factor would be the burden of the debt on a community—a heavy burden being one which would definitely be harmful to the community's ability to pay, and hence bring a penalty in the form of a higher interest rate. A market factor, on the other hand, might be the volume of bonds outstanding—a large volume by a single issuer might impose only a moderate debt burden related to the resources but still be penalized because of the market's inability to absorb all the bonds easily. (California and New York City have in the past, paid higher in the market,
for example, because of the sheer volume of their bonds and the limitations on bondholders from holding too high a percentage of any one issuer—this did not relate to their ability to pay this debt. Other examples of market factors are: (1) a name—"Such and such state (often in New England) has always paid its bonds promptly and on time"; (2) association with a highly regarded firm—"Corp. X is a mainstay of the American economy and therefore its participation in any old way assures success." These devices may be helpful in selling bonds; but per se they are not credit factors and unless another connection is established, they do not affect the ability of the issuer to pay. I am concerned only about the latter—credit factors and their bearing on interest rates.

I have been asked to comment on whether individual placement in the Constitution enables a unit of local government to receive a better price for its bonds. I think such treatment does two things—(1) it tells the bondholder the matter has been specially considered and treated; and (2) it tells him that any change would be more difficult than if it were of a statutory nature only—provided, of course, the Constitution is more difficult to change than is a statute. Individual placement is more a market factor, I think. It may help establish a market for the bonds; but I cannot regard it, as I understand it,

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as a credit factor affecting the rating. If so, ceteris paribus, then everything has to be in the Constitution.

There are matters more fundamental to a purely credit rating. These are:

1. The pledge and protection of an adequate tax base for the payment of bonds. The use of the general obligation backed by unlimited taxing power (a healthy tax base) is still the most highly regarded pledge that can be made by local governments. Most important is that this base not be chipped away, decimated, or weakened by special treatment—by exemptions and subsidies which could be granted more economically by other means. In other words—keep tax rolls healthy. Limit the base and credit deteriorates because ability to pay is lessened.

2. Avoidance of overburdening the tax base with debt that is uneconomic—that does not serve to promote the tax base and the will and needs of the people. Most states try to do this by limiting the debt incurring power of themselves and their local units; but a legal limitation is not always the same thing as an economic limitation—the latter is a credit factor, the former more often a political factor.

Let me give an example. From the standpoint of a city—its debt may be limited to 10% of assessed valuation, (this should be equalized full value reflecting market value) a county to 5%, and a school district coterminous with the city to 5%. This might be politically acceptable. But, suppose the city is economically at 7% with a stable tax base, and the school district is at 3%. Now the county begins to expand as the suburbs grow—and its capital needs expand—and the county begins to borrow. Every additional issue of county bonds adds to the city’s debt burden. City officials have cut their borrowing, but county borrowing is now pushing the burden on the stable city tax base up. City officials are perplexed that their credit suffers—but credit is concerned with the total of the city’s 7%, the school district’s 3%—and now the county’s 2%, 3%, 4%; 5% may now be too low for the county anyway. (At 14% of full value, investors become alarmed—not at the county’s 4%, but the city’s 14%).

It is difficult to see our rapidly changing economic and social conditions so well that detailed prescriptions can be written for very far into the future.

Ideally—and I agree this is not always politically acceptable—the constitutional provisions respecting indebtedness should be broad and general for local government: "the legislature shall provide by law for systems of local government and their financing, including the levying of taxes and the incurring of indebtedness."

The last 130 years has produced every conceivable legal limit on debt. The ingenuity that has been displayed in circumventing these limits—special funds and special pledges—has matched the problems that original limitations did not foresee. But many of the programs designed to avoid limits have

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themselves been extremely costly. If a debt limit is set "high" (above what is used), it is neutral in its controlling effect. If a debt limit is set "low" (below what is needed), the overwhelming evidence of history is that it will be evaded (in spirit), avoided, circumvented, or otherwise ignored.

I see no deleterious effects on the credit ratings of local governments expressed in Paragraphs 18-29.

These are preliminary remarks only, and I will be most pleased to try to answer any specific questions. If I do not have the answers—which is more likely than not—I will try to get them and send them to you.

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RESOLUTIONS

The Local and Parochial Committee on the Council for a New State Constitution urges that the new Constitution contain:

1. a broad Home Rule Charter provision with enumerated authority and power (similar to, but not necessarily limited to those in the Charter of Baton Rouge); and

these provisions be inviolate and unalterable without the voting consent of those governed by said Charter; and
(2) a provision similar to the Fordham or American Municipal Association plan permitting any parish, municipality, or other local unit of government to exercise any power or perform any function not specifically denied them by this Constitution or general law or by their Charters; and

(3) a clause allowing for agreements among political subdivisions; and to encourage regional cooperations (permissive not mandatory); and

(4) a permissive provision for consolidation merger, or dissolution of municipalities, parishes and/or functions therein, with safeguards provided.

MINUTES

Minutes of the Committee on Local and Parochial Government of the Constitutional Convention of 1973

Held pursuant to notice mailed by the Secretary of the Convention on April 18, 1973

State Capitol, Baton Rouge, Louisiana

Friday, April 27, 1973, 10:00 a.m.

Saturday, April 28, 1973, 9:00 a.m.

Present: I. Jackson Burson, vice chairman of the Committee on Local and Parochial Government

Absent: Chalin Perez

Present: I. Jackson Burson
Joseph Conino
Johnny Jackson
Terry Reeves
Harvey W. Cannon, Jr.
Ethan Chatelain
Norman Heine
Edward D'Gerolamo
Joseph Giarrusso, Sr.
George Dewey Hayes
Walter Lanier, Jr.
V. C. Shannon
Dorothy Mae Taylor
Joseph Toomy
Frank Ullo
Mary Zervigon

In the absence of Chairman Chalin Perez, who was unable to attend because of an emergency in Plaquemines Parish, Mr. Burson called the meeting to order. The minutes of the meetings of March thirtieth and thirty-first, and April ninth and tenth, were adopted.

Mr. Burson stated that the agenda called for a breakdown of the full committee into the various subcommittees. However, it was decided that the Subcommittee on Finance would not meet until the Subcommittee Drafting General Provisions concluded their work due to the duplication of members on these subcommittees.

Individual minutes of the subcommittees for these two days are attached.

Saturday, April 28, 1973

Present: Chalin Perez
I. Jackson Burson
Joseph Conino
R. Gordon Keen
Terry Reeves
Harvey Cannon, Jr.
Ethan Chatelain
Norman Heine
Edward D'Gerolamo

Absent: Johnny Jackson, Jr.

George Dewey Hayes
Walter Lanier, Jr.
V. C. Shannon
J. E. Stephenson
Joseph P. Toomy
Frank Ullo
Mary Zervigon

Chairman Perez called the meeting to order at 9:00 a.m., and opened discussion relative to the scheduling of the next meeting of the committee as a whole. After considerable discussion, it was decided that the committee would hear testimony from various witnesses on Monday, May 14, 1973, and divide into the various subcommittees on Tuesday, May 15, 1973.

At this point, the chairman ordered the committee to divide into the various subcommittees.

NOTES

Subcommittee minutes of this date are omitted. They are reproduced below with respective subcommittee minutes.

MINUTES

Minutes of the Committee on Local and Parochial Government of the Constitutional Convention of 1973

Held pursuant to notice mailed by the Secretary of the Convention on May 3, 1973

Natural Resources Building

Conservation Auditorium

Baton Rouge, Louisiana

Monday, May 14, 1973, 10:00 a.m.

Present: Chalin O. Perez, Chairman of the Committee on Local and Parochial Government

Absent: Edward D'Gerolamo

Present: Chalin O. Perez
I. Jackson Burson
Joseph Conino
Johnny Jackson
Terry Reeves
R. Gordon Keen
Harvey W. Cannon, Jr.
Ethan J. Chatelain
Norman Heine
Joseph Giarrusso, Sr.
George Dewey Hayes
Walter Lanier, Jr.
V. C. Shannon
Joseph P. Toomy
Frank Ullo
Dorothy Mae Taylor

The chairman called the meeting to order and the secretary called the roll.

Mrs. A. B. (Elizabeth) Rack, president of the League of Women Voters of New Orleans, was introduced.

A copy of Mrs. Rack's presentation is attached hereon and made a part of these minutes.
The chairman then introduced Mr. Louis B. Porterie, counsel for the Mississippi River Bridge Authority. A copy of Mr. Porterie's presentation is attached hereto and made a part of these minutes. Considerable discussion ensued concerning the recommendations stated in Mr. Porterie's presentation.

Mr. Gordon Flory, delegate to the Constitutional Convention, representing the AFl-CIO was recognized. Mr. Flory asked the committee to treat all local governments equally. He stated that "the employees of the municipalities and parish governments have never had any vehicle by which they could solve their problems." Mr. Flory remarked that after failing to resolve their problems, the employees had no alternative but to go to the legislature. He suggested that the committee should not take away from the employees the right to go to the legislature to seek redress, and that the local and parochial government article contain a provision that all local governing bodies shall be subject to the general laws of the state. During discussion, Mayor Bevins stated that the committee needs to have some statistics as to how many municipalities used their particular funds to increase salaries of municipal employees. Mrs. Zervigon stated that, in her opinion, the city council should be able to set the priorities for the city of New Orleans with regard to revenue sharing. In closing, Mr. Flory asked the committee "to provide justice for all the people."

Mr. deLesseps Morrison, Jr., representing the Council for a New State Constitution, was introduced. Mr. Morrison presented four resolutions to the committee, copies of which are attached hereto and made a part of these minutes.

The chairman then recognized Mr. James D ethos, delegate to the Constitutional Convention, who appeared in support of the Vieux Carre Commission. He presented copies of recommendations from various organizations to the chairman of the committee. Copies of these recommendations are attached and made a part of these minutes. Mr. Giarrusso stated that he voted for retention of the Vieux Carre Commission in the constitution, and voiced his support of this organization.

Mr. Hugh T. Ward, attorney for the Professional Firefighters Association of Louisiana, was introduced. A copy of Mr. Ward's recommendations is attached and made a part of these minutes.

The chairman gave a report of the Coordinating Committee relative to the jurisdiction of the Committee on Local and Parochial Government. These responsibilities are designated in the Coordinating Committee Staff Memorandum No. 3, a copy of which is attached and made a part of these minutes.

Mr. Kean suggested that copies of all Staff Memorandums prepared by the Research Staff for the Committee on Local and Parochial Government and its subcommittees be presented to all the members of the committee, and the chairman so ordered.

Mr. Burson requested that he be allowed to distribute the proposals prepared by the Subcommittee on General Provisions to members of the full committee, and the chairman so ordered.

Mr. Reeves reported that the Subcommittee on Special Districts; Transportation, Ports, and Harbors voted to delete Moisant Airport from the constitution and place it in the statutes.

The chairman stated that the agenda for May 15, 1973, called for a breakdown of the full committee into subcommittees. It was decided that the committee as a whole would not meet on this day.

The committee recessed at 4:00 p.m.

THE LEAGUE OF WOMEN VOTERS OF NEW ORLEANS
1636 TOLEDANO STREET, SUITE 201
NEW ORLEANS, LOUISIANA 70115 935-2062
STATE-WIDE DEP'T COMMITTEE ON LOCAL AND PAROCHIAL GOVERNMENT CC '73
Baton Rouge, La. May 14, 1973

Chairman Perez, members of the committee, we appreciate the opportunity to present the views of the League of Women Voters of New Orleans on the provisions which should be included in an article on local and parochial government in a new constitution. League members have been active in the study of local government since 1967.

We have been listening to and reading about the testimony which has been given before you since you have been meeting. Much of this testimony seems to have been based on correcting problems of the past. We hope you will look to the future, recognizing the need for a flexible article which will allow local governing bodies to respond to changes in population, attitudes, and demands for service.

We support certain principles and concepts which we would like to see included in a new constitution. Ideally, an article on local government should contain the following provisions:

A broad home rule charter provision for parishes, municipalities, and other governmental units. In granting a home rule charter, inclusion of detailed provisions was undoubtedly necessary in 1950 to ensure support of the voters. Our state was considered to be rural and the legislature was slow to respond to the needs of municipalities. In 1921 the Convention felt it was necessary for the good of all the state to make an exception of New Orleans and thus retain control over the wealth and political power in the only large city at that time. Even New Orleans itself asked for special
protection. In determining what should be included in a local government article, consideration should be given to whether the provision is practical and workable for Louisiana at this time. We think the people of Louisiana are politically mature enough and the state is urban enough that this broad provision is essential.

A provision should allow any parish, municipality or other local unit of government to exercise any power or perform any function not specifically denied them by the constitution, by general law or their charters. Such a provision should promote local initiative and responsibility for solving local problems. Some other state constitutions have granted this power such as Montana and Florida. Illinois grants it under home rule units, and the Michigan constitution specifically states the powers granted to local governments shall be "constructively liberal." Though this is a departure from the present concept, we feel it is essential that it be included to ensure that local officials will be held accountable for solving local problems rather than the present method which in some cases holds the entire state and legislature accountable. The voters has no control over any legislator except the one from his district. This provision will tend to give the individual a better opportunity to participate in the governmental decisions on issues and taxes that directly effect a specific area.

The trends toward urbanization and proliferation of suburbs has made parishes and/or multi-parishes the logical agents for providing certain functional services such as transportation, police and fire protection, educational control, etc. A new constitution should not restrict governing units from experimenting with constructive approaches toward solving the problems of the wide community. These efforts should not require a constitutional amendment. In order to keep the decision making close to the people involved, metropolitan areas should be able to create an overall authority responsible to the larger region.

We would like to see eliminated from the constitution administrative and legislative detail, and those city services presently under state control.

You have a most difficult task of allocating the powers and authority throughout the state. Your biggest job, it seems to us, is to strike a balance between flexibility in government and the capacity of the Louisiana citizen to participate in that government.

Thank you for inviting us to appear before you and thank you for your kind attention.

Mrs. A. R. Rack (Elizabeth)
President, LWI of New Orleans

THE MISSISSIPPI RIVER BRIDGE AUTHORITY

BOARD MEMBERS

Newell Levy
John H. Johnson
Louis P. Weist
Mike T. Schexnayder
Robert E. Allender

NEW ORLEANS LOUISIANA 70114

April 16, 1973

Honorable Delegates to the Constitutional Convention of 1973

Re: The Mississippi River Bridge Authority - Article 97; Section 22 (g) (4) - $41,000,000 for bonds outstanding pursuant to Contractual Indenture and the Constitutional Problem of Financing a new Toll Bridge in the Greater New Orleans area

Ladies and Gentlemen:

Some time about 1952, there developed in Louisiana the political and governmental idea that financial credit and administrative authorization should be provided for the construction of major toll transportation facilities such as toll roads, and bridges similar to those that had crossed the main major toll facilities on the East Coast, Florida, New Jersey and Pennsylvania. A part of this idea was that the users would primarily pay for the facilities through the payment of tolls which would be in addition to the normal taxes in the parishes or municipalities. The building of such bridges would be governed only by the financial feasibility of the project. In other words, "pay as you go." It was the limit the ability of the state to construct another project, the economics of the project setting the price of the bond to be marketed. This type of toll financing was not any new alternative or constitutional limit and tied it to the economics of the project itself.

In furtherance of this idea, in 1952, Article VI of the Constitution of Louisiana was amended by Act 50 of 1952, adding Subsection (g), Section 22, to declare license plates to be necessary for vehicles in those parishes surrounding Lake Ponchatrain. One-half of the license plate monies received from

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I. Honorable Delegates to the Constitutional Convention of 1973

vehicles licensed in those Parishes were dedicated for the construction of a new bridge in New Orleans. By Subsection 3, one-half of the license plate monies of such Parishes were dedicated to construct the Crescent City across Lake Pontchartrain, The Parishes of St. Charles, St. John, Tangipahoa, receive stipulated amounts to aid Chau with their roads. (Subsections 1, 2 and 3). Those license monies were allocated to the building of the bridge, and other revenues used to pay the bonds which were sold for the Mississippi River Bridge and the Pontchartrain Causeway.

The necessity for this method of financing becoming a part of the Constitution was two-fold. One, upon advice of bond advisors and legal counsel, it is necessary for such bond issues from the economic point of view, to have some bond proceeds allocated for the initial phases to pay the expenses of determining, financing and planning of the project and then give a floor of a certain amount of money dedicated to service the bonded debt. To this is added the major revenues generated by the tolls collected from the users.

There are many examples of this, but a notable recent one is that the Hotel-Rental tax in the New Orleans area was allocated with the Mississippi Bridge. The area, now under construction in New Orleans, big distinction is that the tolls and credit of the State of Louisiana is behind the bonds for the Crescent Bridge. The tolls and credit of the State is not tied to the Causeway and the Bridge Authority bonds. These bond issues are secured only by the specifically dedicated revenues from the license plate, (highway fund 22), and the tolls collected from the users of the facilities.

The second necessity for the 1952 Constitutional Amendment is that one that has probably contributed toward the adding to the length of the Constitution of this State more than any other. This is the provisions of Article IV, Section 12 of the Constitution, which is a general provision that says in part, "the funds, credit, property or things of value, whether real or personal, now or hereafter owned by the State, or any political corporation thereof, shall not be leased, pledged or granted to or for any person or persons, associations or corporations, public or private, ... not being for the exclusive use and benefit of the State, or any political corporation thereof, shall not be leased, pledged, or granted to or for any person or persons, associations or corporations, public or private, unless specifically authorized by the Legislature."

The need for such provision is to make sure the State will not be in the business of operating a bridge, after the initial bonds are paid out, assume the liabilities of any political, municipal, parochial, private or other corporation or association whatsoever, except as otherwise provided in this Constitution.

All bond counsel, both in Wall Street and locally, in the State of Louisiana, for the marketing of bonds have always legally ruled that because of this prohibition of Article IV, Section 12 of the Constitution, that the bond and credit for these bonds, Constitutional Amendments are necessary to legally permit the particular project to be built. And, the provision which are to fund the bonds from Article IV, Section 12 of the Constitution. At the time some of the Legislature Acts 7 and 8 of 1952 were

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adopted which were enabling laws permitting the establishment of bridge authority for carrying out these provisions and purposes.

In 1954 a $65,000,000 bond issue was sold to finance the new bridge in the New Orleans area, secured by the bridge property itself, the tolls generated from it, was charged and the provisions from the proceeds of the license plate was placed in the Highway Fund 22, as provided in Article VI, Section 22 (g) (4) of the Constitution.

The Mississippi River Bridge Authority first was composed of twelve men from the Parish of Orleans, selected by the city council and by the Council, now number, from the Parish of Jefferson, selected by their Police Jury, and other Counties, and three members appointed by the Governor, too, at the time this appointment used to be members of the Highway Board. These members serve on a five year staggered term basis. They are a Citizen Board hearing, with our own or salaried. The Mississippi River Bridge Authority added the Parish of St. Bernard when there was considered a bridge connecting Chalmette and Mandeville by a toll facility to be funded by the Mississippi River Bridge Authority. When the bridge was completed, the bond issue was funded and the State issued bonds for the bond issue, the bonds were payable to the State, St. Bernard Parish membership because there was established a ferry connection. Chalmette and Hahnville, Chalmette and Hahnville is the one at Canal Street-Algiers, and the one at Poydras Long and Audubon Avenue, connecting Algiers and New Orleans, both of which have been there for years.

There are still presently outstanding $51,000,000 of bonds of The Mississippi River Bridge Authority, payable through the year 1975

In 1956, monies from the long range Highway Fund Consuline the coming year was pledged by agreement with the Highway Department, the Governor's Office, to fund the Mississippi River Bridge Authority bonds, so long as the Bridge Authority would make the Bridge tolls free. In 1966, Article VI, Section 22, Subsection 4 of the Constitution and the Mississippi River Bridge Authority was given power to permit dedication of highway fund 22, revenue- place monies, beyond the existence of the proceeds, which the Mississippi River Bridge Authority, so as to permit the planning, financing, and construction of another new bridge in the Greater New Orleans area.

Financial and traffic experts have advised that it tolls were raised on the existing bridge traffic would reduce the number of vehicles and toll revenue to permit bond financing, subject to the construction of the main span. The principal approach to a new bridge, in the Greater New Orleans area.
The Mississippi River Bridge Authority has been denied in its new bridge solicitation efforts by the 1969 and 1970 federal environmental laws. The Mississippi River Bridge Authority

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In a planning participant in the Unified Transportation Study now in progress to solve the river crossing problem in the New Orleans area. It is in the best public interest to legally preserve the toll financing method in the new Constitution to aid in the solution of the river crossing problem in the New Orleans area. This is proceeding under the Governor's leadership through the Unified Transportation Program for the Planning of Transportation in the New Orleans area.

From a purely legal view, the right of the holders of the $64,000,000 outstanding Mississippi River Bridge Authority Bonds, secured by the bond indenture, are legally protected by the provisions of the United States Constitution, Article I, Section 10, Clause 1, specifically stating "No State shall ... pass any ... low Impairing the obligation of contracts ... ."

There are a number of Federal and State cases clearly holding that a State cannot impair the obligations of contracts by the adoption of a new State Constitution or the amendment of any existing State Constitution to the same extent that a State cannot impair the obligations of contracts by the passage of a law. (See Legal Memorandum furnished in the authorities on this point answered here)

This Constitutional Convention of Louisiana in 1973, should consider the governmental and political feasibility of continuing the existence of the present legal authorization to the United States Constitution and by statute that permits toll bridge facilities to be built by the method of bonding the future revenues of the project in the amounts dictated by the advance economic studies of the project, those toll facilities ultimately becoming free facilities for continued public use after the bonds are retired.

The Lake Pontchartrain Company and the Greater New Orleans Mississippi River Bridge are examples of this type of project.

Members of this convention are faced with the legal mandate provided in the United States Constitution, which forces the protection of the bond indenture, a pre-existing contractual obligation running in favor of the holders of the presently outstanding $64,000,000 of bonds of the Mississippi River Bridge Authority.

It is requested that this Constitutional Convention recognize the desirability of the toll private interest in the use of the facility, through tolls, pay for the major portion of the facility. This method has resulted in the use of the Greater New Orleans Mississippi River Bridge, and will permit, when the location problem is worked out, the financing of another bridge through the use of the method with the re-imposition of tolls on the present bridge, as well as on the new bridge.

One method of continuing this "pay as you go" method of financing a new bridge is

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by the Amended Article IV, Section 12 of the Constitution. This provision has, through the years, acquired the great number of constitutional amendments involving bond issues to go before the people for a statewide vote. The public have so distrusted with roasting or these numerous constitutional amendments that they did not understand, that they finally rebelled and voted against all Constitutional Amendments involving bond issues. See Art. IV, Section 12, for the use of the long three. It polls when fifty and sixty percent were on the ballot along with the election candidates. It is the belief of some constitutional scholars and financier, experts and the people themselves that this can be accomplished by auditorium, not in the new Constitution, but in special elections, certain of the presently large matters, even including these matters in the other provisions of the new Constitution and then requiring in the new Constitution a two-thirds vote of the people, or a referendum to the people, in order to amend these legislative provisions.

We are sure you have heard of this idea from many others more learned on the subject than we are. We simply suggest, in an effort to aid in the solving of this problem that 446

The suggested Amendment of Article IV, Section 12, would read as follows:

The bonds, credit, property or things of value of the State or of any political corporation thereof, shall not be issued, pledged or granted to or for any person or persons, associations or corporations, public or private, except for public purposes as specifically authorized in legislation placed by the legislature by a two-thirds vote of the total number of the members of both houses of the legislature.

Taxes, credit, property or things of value of the State or of any political subdivision or public corporation thereof heretofore issued, pledged, dedicated or granted by the prior laws of this State shall remain for the full term as provided by the prior laws and for the full term as provided by any contracts existing at the time of adoption of this provision of the Constitution.

In any event, the Bridge Authority requests you and your staff to preserve the existing bond indenture of the presently existing 64,000,000 of bonds secured by the contractual bond indenture on the properties of the Bridge Authority.

You are also respectfully urged to provide for the continuing legal rights of The Mississippi River Bridge Authority to plan, finance, and construct, through the bond issue method, a most needed new bridge crossing at New Orleans, Louisiana, where the location is selected through the Open Community Planning Process now being participated in by the Bridge Authority and all local governmental agencies and citizens.

Respectfully submitted,

COURT D. PORRILL

Attachment

PS Since drafting this letter the newspaper has informed us that on April 15th the Convention Coordinating Committee adopted a concept of setting certain electoral units which might otherwise be included in a new Constitution in a new special statutory class. Under this concept such matters pertaining to agencies and jurisdictions, which the convention may feel deserving special protection, may be set up as units which can be amended, altered or repealed only by two-thirds or three-fourths of the vote, or other designated super majority, of both houses of the legislature.

H. E. FORRABURN

ISSUE: Can a legislative body of the State enact a law which would impair existing contracts, to wit bonds issued by a State agency?

The Impairment of obligations is protected by the United States Constitution from State action; Article I, Section 10, Clause 1, of the United States Constitution states, "No State shall ... pass any Bill of Attainder, ex post facto law, or Law Impairing the obligation of contracts... (U.S.C.A. United States Constitution) (Emphasis added)

Once a State enters into a contract, as in this case, a bonding contract, it has the same obligations as an individual. It must live up to those contractual obligations. Once a State authorizes its agency to enter into the contract, it can not then repeal the statute giving authorization and relieve itself of the contractual obligation by repealing the authorization.

(Johnson v. U.S., 154 S., 179 F. Supp. 201.)

When a sovereign State enters into a contract of horrendous with an individual, it assumes to be bound, in all particulars, as an individual. (Dee v. Commissioner, 1973, S.C., S.C. (South Carolina).) By the same token, holders of securities issued by the State under statutory authority are proceeded against subsequent legislation which will impair the contractual bond as evidenced by the securities. 16 C.J.S., 671.)

Therefore, the Constitution of the United States protects an individual from legislative action which would impair a contract thereby the State borrows money from an individual.
The acts or orders of administrative or executive boards or officers of the State are not laws within the meaning of the Constitutional provision prohibiting the laws impairing the obligations of contracts, but the orders of State boards or other instrumentalities exercising State delegated authority, legislative in character, are such laws. 15 C.J.S. §270, P. 150.

This means that a State acting through a legislatively delegated authority, such as a Board or Commission, is bound by the acts of that board with regard to any bonding contracts, and can not issue subsequent legislation which would impair that contract. Also, a State Constitutional provision is also a law within the meaning of the Federal Constitution prohibiting laws impairing the Constitutional obligations. 15 C.J.S. §276, P. 1277.

In essence this means that the great body of law developed from the United States Constitution is that a State through legislative acts can not issue new legislation which would detrimentally affect the bond holders existing under a previous legislative act, Bluer v. McCown, (US) 13 S. Ct. 500, 146 U.S. 167, 37 Law Ed. 397, as applied to Louisiana in that Louisiana v. Janoir, 2 S. Ct. 128, 107 U.S. 711, 27 Law Ed. 448 (1883), it was held that State legislative body could not impair provisions and bond holders' rights as to State bonds. This is still the law to date and the Federal Constitution prevents the bond holders from any impairment under a constitutional obligation.

COUNCIL FOR A NEW STATE CONSTITUTION
6441 BELLAIRE DRIVE
NEW ORLEANS, LA 70112

RESOLUTION

The Local and Parochial Committee of the Council For A New State Constitution urges that the CNOC adopt the following position:

We are in favor of matters governing the establishment, jurisdiction and composition of all boards, agencies, commissions, districts and authorities and like bodies, as being suitable and proper for appropriate legislative action and determination and/or for inclusion under home rule charters of the governing authorities wherein situated. By this we mean that such boards, agencies, commissions, districts and authorities and like bodies should not be included in the new State Constitution.

State Constitution urges that the CNOC adopt the following position:

That the new Constitution contain:

A permissive provision for consolidation, merger, or dissolution of municipalities, parishes, and/or functions herein.

The Local and Parochial Committee of the Council For A New State Constitution urges that the CNOC add to its previously passed resolution calling for the new Constitution to contain:

A clause

1. A clause allowing for agreements among political subdivisions

The Phrase

or with the State, or another State, or the United States

To read in full

A clause allowing for agreements among political subdivisions or with the State, or another State, or the United States.

COUNCIL FOR A NEW STATE CONSTITUTION
6441 BELLAIRE DRIVE
NEW ORLEANS, LA 70112

RESOLUTION

The Council For A New State Constitution urges that the new Constitution contain:

1. a broad Home Rule Charter provision with enumerated authority and power (similar to but not necessarily limited to those in the Charter of Baton Rouge); and these provisions be inviolate and unalterable without the voting consent of those governed by said Charter; and

2. a provision similar to the Fordham or American Municipal Association plan permitting any parish, municipality, or other local unit of government to exercise any power or perform any function not specifically denied them by the Constitution or general law or by their Charters; and

3. a clause allowing for agreements among political subdivisions.

New Orleans, Louisiana
May 10, 1973

Mrs. Claudine Ferex, Chairman
Committee on Local and Parochial Government
Constitutional Convention - 73
P. O. Box 13764A
Baton Rouge, LA 70801

Dear Mrs. Ferex:

Our organizations are vitally interested in the
survival and preservation of the Vieux Carre. Because of its importance the highest law of the State is required. We thoroughly support special constitutional authority for the Vieux Carre.

The people of the State of Louisiana in 1936 authorized the Vieux Carre Commission and described the area's boundaries. As a result, the French Quarter is the best preserved large historic district in the nation. Louisiana has been a marvel and a model for historic preservation. Removal of the Constitution would be an act of regression, not progress. We offer ourselves to appear before your committee at any time you feel we can be helpful.

Please heed our plea for the Vieux Carre.

Exploranda Avenue Improvement Assn.  
Patio Planters

French Quarter Residents Assn.  
Vieux Carre Action Assn.

Louisiana Council for the Vieux Carre  
Vieux Carre Property Owners and Associates, Inc.

NOTES
Letters from the various associations in support of this petition have been omitted where no reproducible copy has been found.

Louisiana Council for the Vieux Carre  
New Orleans, Louisiana

Hon. Chalin O. Perez, Chairman,  
Committee on Local and Parochial Government,  
Constitutional Convention,  
P.O. Box 17740 A,  
Baton Rouge, La. 70803.

Dear Mr. Perez:

The Louisiana Council for the Vieux Carre, which is composed of 16 patriotic, civic and preservationist organizations, is deeply concerned about the retention of the constitutional status of the Vieux Carre Commission. The Council feels that it is imperative to preserve this commission as a part of the new constitution in order to insure the continued orderly restoration and preservation of the Vieux Carre. Without this safeguard to the preservation of this historic section of the City of New Orleans, for the people of Louisiana and the nation, there will be no real deterrent to the gradual destruction of the Vieux Carre and the promotion of special interests that are a constant threat.

The Louisiana Council for the Vieux Carre represents the following organizations, which have concurred in supporting the preservation of the constitutional provision for the mandate and authority of the Vieux Carre Commission:

Altrusa Club; Athene Louisianae; Business and Professional Women's Club; Beaurnaix Park Association; Christian Woman's Exchange; Colonial Dames of the 16th Century; Colonial Dames of Louisiana; Daughters of the Cibolos; James Town Society; Le Petit Salon; Louisiana Colonials; Louisiana Landmarks Society; Old Ursuline Convert Guild; Patio Planters; Spring Plastics; U.S. Daughters of 1812; Vieux Carre Property Owners and Associates and the Vieux Carre Action Association.

The combined membership of these organizations is approximately 8200 persons interested in preserving the Vieux Carre.

With best wishes for the success of the Constitutional Convention, I am,

Sincerely yours,

Mrs. August W. Ewing, President,  
Louisiana Council for the Vieux Carre.

VIEUX CARRE PROPERTY OWNERS AND ASSOCIATES, INC.

F. K. BOX 1405, CUSTOM SIGNAL STATION  
NEW ORLEANS. LA. 70116

Upon motion duly made and seconded by all 860 members, a meeting of the Vieux Carre Property Owners and Associates Inc. was held Wednesday, April 27, 1973, at the Frenchmen. The following resolution was unanimously adopted, without dissent.

WHEREAS the Vieux Carre is vital to the architectural, historical, cultural and economic well-being of the City of New Orleans and State of Louisiana

WHEREAS the early founders of this organization spearheaded and nurtured the drive for the Constitutional Amendment of 1937 authorizing protective measure for the Vieux Carre;

WHEREAS the survival of the Vieux Carre is generally attributed to its constitutional status;

AND WHEREAS Louisiana has been a model for other states in historic preservation and has won nationwide recognition;

BE IT RESOLVED that this organization support the continuation of Constitutional authority for the Vieux Carre.

BE IT FURTHER RESOLVED that this organization support the following wording:

The preservation of the totality of the Vieux Carre is hereby declared to be a public purpose, because of its cultural, historical and economic value for the entire State of Louisiana. The City of New Orleans acting through a Vieux Carre Commission shall have and shall exercise the power, authority and responsibility to insure the preservation of the exteriors of all structures and the area of the Vieux Carre, which is bounded by the center of Iberville Street, the center of North Rampart Street, the center of Esplanade Avenue and the main water line of the east bank of the Mississippi River.

President

Home Rule

TO: Local and Parochial Government Committee  
Louisiana Constitutional Convention of 1973

Submitted by: Peters & Ward  
Attorneys at Law  
518 Johnson Building  
Shreveport, Louisiana 71101  
Attorneys for Professional Firefighters Association of Louisiana, AFL-CIO

BY:  
Hugh F. Ward

MAY IT PLEASE THE COMMITTEE:

The purpose of this summary presented to this committee is to outline the position of the Professional Firefighters Association of Louisiana, AFL-CIO, concerning "Home Rule" for political subdivisions of the State of Louisiana.

We have no hesitancy in informing this committee that the firemen employed by cities and parishes of
this state have a real and vital interest in the manner
as to which "Home Rule" is finally resolved by this
Constitutional Convention.

However, we also fully realize that the final
decisions which are made and the manner in which
"Home Rule" is presented to the people of this
great state cannot turn solely on the concern of
firemen. The issue goes much deeper, its
ramifications are much broader and its final
resolution will, in different fashion and varying
degree, touch the lives of all citizens of the State
of Louisiana.

A form of "Home Rule" will be a part of the
proposed Constitution. If properly presented it
will streamline the processes of government and
aid greatly in allowing local governments to
effectively deal with their special problems. If
improperly presented the result can be disastrous.

The entire subject of "Home Rule" can be based
upon a simple formula:

"What is the proper relation-
ship between the State of
Louisiana, acting through its
Legislature on the one hand
and cities and parishes on the
other."

The solution to this formula, to be suggested by
this Convention and ultimately answered by the
people of this State will result in defining
"Home Rule" for Louisiana.

In suggesting the proper solution to the
formula to the citizens of this state it is felt
that certain basic considerations should be kept
in mind.

1. The people of the state have already spoken
regarding "Home Rule" in this state. In 1952,
Article 14 Sec. 40 of the Constitution was
approved and a copy thereof is attached as "Exhibit
A." In keeping with this Constitutional provision
the Legislature adopted the general law enabling
the adoption of Home Rule Charters. This
legislation appears as La. R.S. 33:1381 through
33:1390. A copy of this legislation is annexed
as "Exhibit B."

We pause here to note that this provision of
the Constitution very clearly answers the question
of the proper relationship between the state and
local governments. It provides that no "local or
special law" (that is, one applying only to a
specific location as opposed to a general law
affecting the entire state) shall be enacted as
to a Home Rule Charter form of local government.
The article then goes on to provide that the

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Constitution and "general laws" (that is, laws
of general application affecting all persons and
things in the state which are similarly situated)
enacted by the Legislature are to be paramount.
Therefore the formula is answered - the Legislature
may not act by special or local law in conflict with
a specific local Home Rule Government, but the
power is retained for the Legislature to provide
for paramount legislation by "general" laws
affecting the entire state.

We have reviewed in this connection a sub-
committee proposal concerning Home Rule. This
proposal does not answer this very basic State-
Local Government relationship formula which it is
submitted, is essential in order to properly
define Home Rule.

Common sense is called upon to suggest to
you that the basic principles as presently
contained in La. Constitution Article 14 Sec. 40
are sound. Doesn't it make sense that "Home Rule"
should be defined to the effect that the Legislature
should not be allowed to enact a local law affecting
only one parish or city? If a particular parish or
city has a problem unique to it doesn't it make
sense that such a problem should be solved locally?

-4-

Isn't this the same principle so long criticized
which has people all over the state voting on a
Constitutional amendment affecting only the New
Orleans Port Commission? Doesn't it likewise
make sense that where legislation is needed state
wide on general problems of the state as a whole
that the Legislature should be empowered to enact
paramount laws of general application? Doesn't
it make sense that this is the reason for the
very existence of the Legislature - to make laws of general application for the state as a whole?
Isn't one of the basic missions of the Convention to achieve uniformity in state law? Finally
isn't this what "Home Rule" really means?
The general rule throughout the United States concerning "Home Rule" is that the "general" laws enacted by the state must remain paramount.
Discussing this general rule and citing much judicial authority in support thereof is an Article in 56 American Jurisprudence 2nd. and I quote from Sec. 128 thereof which states:

"It is an essential element of all Constitutional provisions establishing the principle of municipal home rule that the

Constitution and general laws of the state shall continue in force within the municipalities which have framed their own charters, and that the power of the municipality to legislate shall be confined to municipal affairs."

Feeling that this entire article may be of some interest to the Committee, we have annexed hereto a copy labeled "Exhibit C."

The point made here is, of course, that the Constitution of this state already contains a general "Home Rule" provision which properly deals with the basic problem of state - local government relationship. Why not use sound existing principles to solve this essential problem?

The State of Louisiana is and must remain a government for all the people. Government for all the people and particularly the legislative power which exists to regulate the conduct and affairs of all Louisianians alike must be vested in the State Legislature elected by citizens around the state.

What is the logical conclusion and end result of Constitutional "Home Rule" which does not provide for general laws of the Legislature to be paramount?

over laws of Local Government? Obviously the Legislature is no longer needed - it may be dissolved and State government will save millions of dollars each year. If local "Home Rule" is always paramount over State legislation then you do not need a Legislature to consider and pass upon such matters as defining and making crimes murder, rape, armed robbery, selling narcotics, prostitution

ad infinitum. Each city and parish is completely self governed. The penalty for murder in Terrebonne Parish may be so light as compared to Webster Parish that a "long ride" may be in order. The Department of Highways may be dissolved because each highway at every point in the State is in some parish or some municipality. What function a governor, a lieutenant-governor, a commissioner of Agriculture?

This is, of course, ridiculous. But the principle is there. Unless the proper State-Local Government relationship is spelled out - and unless the general laws enacted by the Legislature retain their supremacy over local regulations nothing but chaos may well result.

Louisiana Constitution, Article 3 Sec. 1 provides that:

"The legislative power of the State shall be vested in a Legislature which shall consist of a Senate and a House of Representatives"

Even more positive than the fact that some form of "Home Rule" will appear in the new Constitution is the fact that the above provision will stay in the Constitution. This fact must be realized and the proper relationship between the legislative power of the state and local governments must be reconciled in any "Home Rule" proposal.

3.

Certain parishes and municipalities already have plans of "Home Rule" government. Specifically, pursuant to Constitutional authority Shreveport, Baton Rouge, New Orleans and the Parishes of Jefferson, Plaquemines and East Baton Rouge have heretofore adopted "Home Rule".

The sub-committee has recommended that these remain in effect. Of course, from a purist standpoint it would be preferable if all "Home Rule" local governments were created from the same source so that the various powers and duties would be the same. However, we realize that this is probably unrealistic. Once again it is suggested that now is the proper time to spell out the proper balance of power between the state and local governments insofar as these cities and parishes which already have "Home Rule" is concerned.

We have already made our point to the effect
that newly created "Home Rule" local governments should be subject to all "general" laws enacted by the Legislature. Certainly those cities and parishes which already have "Home Rule" should be treated no differently. It would seem that one of the guiding standards of this entire Convention should be a real attempt at uniformity so that persons in different parts of the state are treated alike. But the fact is that under the "Home Rule" plans now existing they are not treated alike. Are you aware that the Courts of this state have held (1) A general law enacted by the Legislature is not applicable to Baton Rouge because of its "Home Rule" charter; (2) The same general law is applicable to the City of Shreveport in spite of its "Home Rule" charter? The reason for such diverse holdings is a failure to spell out the properState-Local Government relationship in the Constitution itself.

Why ignore this problem? Isn't this the type of unequal and iniquitous type of government that this Convention is charged with doing something about? Isn't it fair that all parishes and cities have generally the same rights and duties in their relationship with the state?

4.

Any provision in the Constitution which denies to the State Legislature the right to provide for minimum standards concerning the health safety and welfare of all citizens of this state alike must be condemned.

We have specific reference here to a proposal by the Sub-committee to the effect that the Legislature may enact no law requiring expenditures from local funds without the approval of local governing bodies.

First of all somewhere along the line it must be acknowledged that the Legislature of this state is not some Federal bureaucracy which has been sent from Washington to interfere in the affairs of the people of this state. The Legislature is the voice of the people of Louisiana duly elected by the people and charged with the duty of enacting laws applying to all citizens equally. It must at the same time be recognized that the governing authorities of cities and parishes of this state do not constitute a private corporation whereby they may, by refusal to act, deny to the people of a parish or city basic standards of health, safety and welfare which the people of the state as a whole, speaking through the Legislature have decreed all citizens of Louisiana entitled. Can it seriously be believed that the people of the state are going to approve this proposed provision which will allow the governing authority of a specific city or parish to isolate all its citizens from benefits decreed necessary for all people of Louisiana by the State Legislature?

The evils of the provision under discussion are readily apparent. Suppose the people of all the state, speaking through the Legislature, decree that basic protection for the safety of all Louisianians require a certain number of officers for law enforcement based upon population. The governing authority of the City of Baton Rouge, being responsive to the people who elected them, implement such a law through increased expenditures of local funds. Another city, not properly responsive, may ignore the legislation entirely, thereby denying that city's people of a basic necessary service. Is this sort of result logical? Is this the proper manner of going about the business of all citizens of Louisiana? Is this really logical when the proper State-Local Government relationship is considered? We think not.

The present Louisiana Constitution, in Article 1, Sec. 1 provides:

"All government, of right, originates with the people, is founded on their will alone, and is instituted solely for the good of the whole. Its only legitimate end is to secure justice to all, preserve peace and promote the interest and happiness of the people."

Basic standards of services and protection which the Legislature decides are necessary for all citizens of Louisiana must be available to all alike. This Constitution must not allow a situation whereby state laws, enacted for "the whole" may be fencod out of a particular parish or city simply by inaction on the part of local City Councils or Police Juries.

CONCLUSION

Any Constitutional provision dealing with "Home Rule" must start with the basic considerations.
of defining the legal relationship between the state and local governments. It would appear that logic should dictate much reliance upon the fact that the people have heretofore spoken on the subject of "Home Rule" and the proper relationship between State-Local Government, as evidenced by Louisiana Constitution, Article 14, Sec. 40. It would also appear that good reason would indicate that the principles there set out are sound. The cities and parishes should not be burdened with "local" legislation affecting only one area without their approval. By the same token government for Louisiana should be for all Louisiana, not just parts thereof at the pleasure of city or parish governing bodies. Therefore "general" laws enacted by all the people through the Legislature must be applicable to all cities and parishes.

Once the proper relationship between state and local governments is decided the solution is not difficult; we have taken the liberty of preparing a proposal based upon the principles here set out and submit same herewith as "Exhibit D."

Respectfully submitted,

PETERS & WARD
518 JOHNSON BUILDING
SHREVEPORT, LOUISIANA 71101
ATTORNEYS FOR PROFESSIONAL FIREFIGHTERS ASSOCIATION OF LOUISIANA, AFL-CIO

BY: Hugh T. Ward

NOTES
Exhibits cited herein have been omitted. A copy of the "proposal" was not attached to the report.
substitute motion to change the title to "Relocation of Parish Seat". However, both motions were withdrawn, and Mr. Kean's motion to amend the title to "Change of Location of Parish Seat" carried without objection. Mr. Reeves then moved the adoption of Section 5 as amended, and the motion carried without objection.

Sections 6, 7, 8, and 9. Mr. Kean moved that the committee delay action on these sections, and the chairman so ordered.

Section 10. Mr. Kean offered a motion to add a sentence to the end of this section stating, "The legislature may require a report concerning the allocation and expenditure of such funds." Mr. Jackson offered a substitute motion to change the word "may" to "shall". A roll call vote was taken on Mr. Jackson's substitute motion.

Yeas: Johnny Jackson Terry Reeves


There being 2 yeas and 11 nays, the substitute motion failed, and Mr. Kean's original motion carried without objection.

After considerable discussion, the chairman suggested that the first sentence of Section 10 read as follows: "When the legislature appropriates funds to one or more political subdivisions and the legislature does not specify the purpose for which such funds shall be expended, or the amounts to be expended therefor, the expenditure of such funds shall be determined solely by the governing authority of the political subdivision or political subdivisions to which the funds are appropriated." Mr. Shannon moved to adopt the chairman's suggestion, and there were no objections.

Mr. Shannon then offered a motion to adopt Section 10 as amended, and the chairman so ordered.

Section 11. Mr. Lanier moved to delete the words "to be submitted to the electorate thereon" on line 33, page 9, but later withdrew his motion. Mr. Kean offered a motion to establish subsection (B) beginning with the sentence "No such..." on line 31, page 9, and this subsection to read as follows: "(B) No such agency shall have authority to levy a tax, impose any charge, or issue bonds unless the proposal therefor is first approved by the governing authority of the political subdivision; provided, however, that after such original approval is granted no further approval shall be required." He then suggested that the original subsection (B) be changed to (C). The motion carried without objection.

Mrs. Zervigon moved to delete the words "in whole or in part" on line 26, page 9. Mr. Kean offered a substitute motion to insert the words "or veto or reduce line items; in place of the words "in whole or in part". Mr. Kean's substitute motion was adopted without objection.

4

Mr. Toomy then offered a motion to delete subsection (1) of Section 11 and replace it with the phrase "to remove those members of the governing body of the agency who have been appointed by the governing authority". A roll call vote was taken on Mr. Toomy's motion.

Yeas: Joseph Conino

Nays: Johnny Jackson Terry Reeves R. Gordon Kean Harvey Cannon, Jr. Ethan Chatelain Mayor Pete Heine George Dewey Hayes Walter Lanier, Jr. V. C. Shannon Frank Ullo Mary Zervigon

There being 2 years and 11 nays, the motion failed to carry. Mr. Kean moved adoption of Section 11 as amended, and the motion carried without objection.

Section 12. Mr. Lanier moved to amend the title to "Special Districts; Assumption of Debt, Consolidation, and Merger", but no action was taken on this motion.

Mr. Toomy then offered a motion to delete the words "of the proposition" on line 31, page 10. With no objections, the chairman so ordered.

After discussion, Mr. Chatelain then moved to table this section and ask the research staff to rewrite it and return it to the Subcommittee Drafting General Provisions for reconsideration. Mr. Lanier offered a substitute motion that in rewriting this section, the staff authorize political subdivisions to consolidate and merge such districts or agencies even though there may be no outstanding debt. The motion and substitute motion carried without objection.

Section 13. Mr. Reeves moved to delete the word "officer" on line 24, page 11, but later withdrew his motion. He then offered a motion to insert the words "from single member districts" after the word "authorities" on line 24, page 11. A roll call vote was taken on Mr. Reeves' motion:

Yeas: Terry Reeves George Dewey Hayes


There being 2 years and 8 nays, the motion was rejected.

Mr. Toomy moved to insert the words "popularly elected as such" after the word "officer" on line 25, page 11. However, he withdrew his motion.

A motion to refer this section to the staff for redrafting was made by Mr. Toomy. The motion carried without objection.

Section 14(A). The chairman offered a suggestion to delete the words "city or parish school board," on line 7, page 12: 'or by the' on line 10; and "city or parish school
board," on line 11. His amendment offered to insert the words "vacancies in the membership of city or parish school board shall be filled by appointment by the remaining members thereof" after the word "subdivision" on line 13. Mr. Keen moved to adopt the amendment offered by the chairman, and with no objections, the motion carried.

Mr. Keen then moved the adoption of Section 14(A), and the chairman so ordered.

**Section 14(B).** Mr. Toomy moved to delete the word "four" on line 22, page 12, and insert the word "three". Hearing no objections, the motion carried.

Mr. Keen later moved to insert the words "called by the governing authority, and" between the words "be" and "held" on line 21, page 12. The motion carried without objections.

Mr. Keen moved to adopt Section 14 (B) as amended, and with no objections, the chairman so ordered.

**Section 14(C).** Mr. Reeves moved that the words "or chief clerk" be inserted between the words "clerk" and "of" on line 32, page 12; and the words "or chief clerk" be inserted at the end of line 33, page 12. With no objection, the chairman so ordered.

Mr. Conino offered a motion to change the word "Criminal" on line 14, page 12 to "Civil", but later withdrew his motion.

Mr. Keen moved that a comma be added after the word "vacancy" on page 13, line 8, and the words "of the occurrence of the vacancy." be inserted. The motion carried without objection.

Mr. Reeves then moved that Section 14(C) be adopted as amended, and hearing no objections, the chairman so ordered.

**Section 14(D).** Mr. Keen offered a motion to adopt this section as written, and hearing no objections, the chairman so ordered.

**Section 14(E).** Mr. Keen offered an amendment to place a period after the word "subdivision" on line 15, page 13, and delete line 16. The amendment was adopted.

Mr. Keen then offered a motion to delete the word "the" on line 14, insert the word "a" and change line 15 to read "special legislative charter, a home rule charter, or plan of government of the affected political subdivision." A roll call vote was taken on this motion.

**Yeas:** Joseph Conino
R. Gordon Keen
Harvey Cannon, Jr.
Mayor Pete Heine
Walter Lanier, Jr.
V. C. Shannon

**Nays:** Johnny Jackson
George Dewey Hayes
Joseph Toomy
Frank Ullo

Terry Reeves was absent at the time of the roll call vote. Mr. Keen's motion carried by a vote of 6 yeas and 5 nays.

A motion was then offered to adopt subsection (E) of Section 14, and a roll call vote was taken.

**Yeas:** R. Gordon Keen
Mayo Pete Heine
Walter Lanier, Jr.
V. C. Shannon
Mary Zervigon

**Nays:** Joseph Conino
Johnny Jackson
George Dewey Hayes
Joseph Toomy
Frank Ullo

The motion failed by a vote of 6 nays and 5 yeas.

Mr. Keen then requested to reconsider this section on the following day.

The staff was then directed to research how many special legislative charters there are in Louisiana.

**Section 15.** Mr. Reeves moved that this section be adopted as amended. The motion carried without objection.

**Section 16.** Mr. Conino moved adoption of this section and it carried without objection.

**Section 17.** Mr. Conino moved the adoption of this section as written. The motion carried without objection.

**Section 18.** Mr. Hayes expressed his opinion that this entire section should be omitted because he feels it refers only to the Vieux Carre Commission. The chairman offered a suggestion to place a semicolon after the word "districts" on line 6, page 15, and insert "may regulate the preservation of" after the word "and" on line 6. Mr. Reeves moved to adopt the chairman's suggestion, and with no objections, the motion carried.

Mr. Keen offered a motion to insert the words "land use regulations and" between the words "enact" and "zoning" on line 4, page 15. With no objections, the motion carried.

A motion was then offered by Mr. Keen to adopt Section 18 as amended. The motion carried without objection.

**Section 19.** Mr. Reeves moved the adoption of this section. The motion carried without objection.

**Section 20.** Mr. Toomy offered a motion to delete the words "forms of" and insert "farm or". The motion carried without objection.

Mr. Keen moved to delete the word "funds" on line 12, page 16. Without objection, the motion carried.

A motion was offered by Mr. Keen to adopt Section 20 as amended, and with no objections, the chairman so ordered.

**Section 21.** Mrs. Zervigon offered a motion to change "7(D)" on line 15, page 16 to "7(E)". Mr. Keen then offered a substitute motion to add a comma after the word "constitution" on line 15, page 17, and delete the phrase "in section 7(D) of this Article". There were no objections to this substitute motion.

Mr. Conino then moved to adopt Section 21 as amended. The motion carried without objection.

**Section 22.** Mr. Keen offered a motion to adopt this section as written. With no objections, the chairman so ordered.

[54]
Section 23. Mr. Kean suggested deletion of "Section ..." and insertion of "this constitution," on line 7, page 19, and the chairman so ordered.

Mrs. Zervigon recommended deletion of the word "qualified" on line 15, page 19, and the chairman so ordered.

Mr. Toomy offered a motion to delay taking action on this section, and a roll call vote was taken:

Yea: Joseph Conino
    Johnny Jackson
    Terry Reeves
    R. Gordon Kean
    Harvey Cannon, Jr.
    George Dewey Hayes
    V. C. Shannon
    Joseph Toomy
    Frank Ullo

Nays: Mayor Pete Heine
      Walter Lanier, Jr.
      Mary Zervigon

There being 9 yeas and 3 nays, the motion carried.

Mr. Jackson requested that the minutes indicate that he would have voted for the motion by Mr. Reeves made while Section 13 was under discussion, relative to providing for single member districts.

The chairman recessed the committee at 4:30 p.m.

Saturday, June 2, 1973, 9:00 a.m.

Presiding: Chalin O. Perez, Chairman of the Committee on Local and Faroachial Government

Present: Chalin O. Perez
         J. Jackson Burson
         Joseph Conino
         Johnny Jackson
         Terry Reeves
         R. Gordon Kean
         Harvey Cannon, Jr.
         Ethan Chatelain
         Mayor Pete Heine
         George Dewey Hayes
         Walter Lanier, Jr.
         V. C. Shannon
         Joseph Toomy
         Frank Ullo
         Mary Zervigon

The chairman called the meeting to order and the secretary called the roll.

In the temporary absence of Mr. Kean, the chairman asked Mr. Lanier to proceed with the proposed Section 24 of Draft "A".

Section 24. Mr. Lanier offered an amendment to insert the words "referendum, recall," after the word "debts", on line 9, page 20. With no objections, the chairman so ordered.

Mr. Toomy moved to delete the word "a" on line 7, page 20 and insert "location of". The motion carried without objection.

A motion was then offered by Mr. Reeves to adopt Section 24 as amended, and the motion carried without objection.

Section 25. Mr. Reeves moved to delete Section 25 from the committee's consideration because he feels it is not under a local government provision. Mr. Jackson offered a substitute motion to refer this section to the Coordinating Committee for assignment to the appropriate committee. However, Mrs. Zervigon offered an amendment to the substitute motion to delete Section 25 and refer the subject matter to the Coordinating Committee for assignment to the appropriate committee.

A roll call vote was taken on the substitute motion.

Yea: Joseph Conino
     Johnny Jackson
     Ethan Chatelain
     George Dewey Hayes
     Mary Zervigon

Nays: Terry Reeves
      R. Gordon Kean
      Harvey Cannon, Jr.
      Walter Lanier, Jr.
      V. C. Shannon
      Joseph Toomy
      Frank Ullo
      Mayor Pete Heine

There being 5 years and 8 nays, the substitute motion failed.

Mr. Lanier then offered a substitute motion to refer the section to the subcommittee for redrafting. Having no objections to the substitute motion, the chairman so ordered.

Section 26. Mr. Reeves suggested that Section 26 be amended to read as follows: "Any political subdivision or governmental entity may exercise any of its powers or perform any of its functions, including the financing thereof, jointly or in cooperation with one or more political subdivisions or governmental entities, either within or without the state, except as the legislature shall provide otherwise by law."

However, no action was taken on this recommendation.

Mr. Kean then offered a motion to refer Section 26 to the Subcommittee on General Provisions for further consideration. With no objections, the motion carried.

Section 27. There was considerable discussion on this section, but it was decided that no action would be taken on this section until the committee had finalized a document.

Mr. Conino then offered a motion that Section 14(E) be brought up for reconsideration, and that it read as follows: "The provisions of this section shall apply to all political subdivisions unless otherwise provided by any plan of government including special legislative charters and home rule charters; this section applies only to those affected political subdivisions." However, Mr. Toomy offered a substitute motion to read as follows: "The provisions of this section shall apply to all political subdivisions unless otherwise provided by the home rule charter or the home rule plan of government of the affected political subdivision."

The substitute motion carried without objection.

The chairman asked if there were any objections to the adoption of Section 14(E). Hearing no objections, the chairman so ordered.

Mr. Burson moved to reconsider Section 14(A) and to delete therefrom the words "sheriff, assessor, clerk of a district court, coroner" on lines 3 and 4, page 12. The motion carried without objection.

Mr. Burson then requested the staff to prepare a new section which would generally encompass the provisions in Section 14(A).

A motion was then offered by Mr. Burson that the treatment of these officers be referred back to the Subcommittee on General Provisions for a preparation of the article for the filling of these vacancies. With no objections, the chairman so ordered.

Mr. Kean offered a motion to insert the words "home rule"
between the words "or" and "plan" on line 12, page 12; and the
word "affected" between the words "the" and "political" on
line 12, page 12. The motion carried without objection.

Mayor Heine moved to insert a sentence after paragraph (E)
of Section 14 to read as follows: "The provisions of this
section shall not apply to the office of sheriff, assessor,
clerk of a district court, coroner, judges of any court of
record, or district attorney, except as otherwise provided for
in this constitution." Mr. Toomy offered an amendment to this
motion to label Mayor Heine's motion paragraph "F" of Section
14. With no objections, the motion carried.

Mr. Kean offered a motion to adopt Section 14 as amended,
and the chairman so ordered.

Mr. Burson moved to remove Section 3 from the table,
stating that he would like the committee to make a decision
on this section. However, Mr. Toomy offered a substitute
motion to delay action on Section 3 until Mr. D'Gerolamo could
be present. Mr. Toomy stated that he felt this matter to be
as important as other matters being delayed by the committee.
A roll call vote was taken on Mr. Toomy's substitute motion to
delay action on Section 3.

Yeas: Johnny Jackson  
   R. Gordon Kean  
   Harvey Cannon, Jr.  
   George Dewey Hayes  
   V. C. Shannon  
   Joseph Toomy

Nays: 1. Jackson Burson  
   Joseph Conino  
   Terry Reeves  
   Ethan Chatelain  
   Mayor Pete Heine  
   Walter Lanier, Jr.  
   Frank Ullo  
   Mary Zervigon

There being 6 yeas and 8 nays, the substitute motion failed.

The chairman explained that when Section 3 was tabled
yesterday, a motion was on the floor offered by Mr. Lanier, to
delete the words "two-thirds" on line 26, page 2, and insert
the word "majority". After considerable discussion, Mr. Reeves
called for the question. A roll call vote was taken on the
motion made by Mr. Lanier to delete "two-thirds" and insert
the word "majority".

Yeas: R. Gordon Kean  
   Ethan Chatelain  
   Mayor Pete Heine  
   Walter Lanier, Jr.  
   Mary Zervigon

Nays: 1. Jackson Burson  
   Joseph Conino  
   Johnny Jackson  
   Harvey Cannon, Jr.  
   George Dewey Hayes  
   V. C. Shannon  
   Joseph Toomy  
   Frank Ullo

There being 9 nays and 5 yeas, the motion failed to carry.

Mr. Burson offered a motion to adopt Section 3 without
amendment. Hearing no objections, the chairman so ordered.
However, Mr. Lanier informed the members of the committee that
he intended to file a minority report and invited other members
of the committee to do so.

The chairman suggested that the committee set the dates
for the next meeting. It was decided that the full committee
would meet at 1:00 p.m. on Friday, June 15, 1973, and 10:00 a.m.
on Saturday, June 16, 1973. At these meetings, the committee
will consider all the provisions on local government which
have not been acted upon, and in addition, other subcommittee
matters available for discussion.

The committee adjourned at 12:30 p.m.

R. Gordon Kean, Secretary

DRAFT "A" OF GENERAL PROVISIONS
LOCAL AND PAROCHIAL GOVERNMENT ARTICLE
(For consideration June 1, 2, 1973)

CC-
1. Constitutional Convention of Louisiana of 1973
2. Subcommittee Proposal Number
3. Introduced by Delegate Burson on behalf of the Subcommittee
5. A Proposal
6. Relative to provisions for local and parochial government.
7. Proposed Sections:
   8. Section 1. Municipalities: Incorporation, Consolidation,
      Merger, and Government
      Section 1. The legislature shall provide by general
      law for the incorporation, consolidation, merger, and
      government of municipalities. No special law shall be
      enacted to create a municipal corporation or to amend,
      modify, or repeal its charter; however, if a municipality
      is operating under a special legislative charter it may
      be amended, modified, or repealed by special law as long
      as such municipality continues to operate under such
      charter.
   19.
   20. Reported favorably.
   21.
   23.
   24. Comment: Provides for municipal incorporation by general
      law. Prohibits special law in language similar to
      source provision.
   25.
   26.
   27.
   28.
   29.
   30.
   31.
   32.
   33.
   34.
   35. No new parish shall contain less than six hundred twenty-
      five square miles, or less than fifty thousand inhabitants,
      and no parish shall be reduced below that area or number
      of inhabitants.
   36.
   37. Reported favorably.
Section 3. Change of Parish Lines: Election

Section 3. Before taking effect any law changing parish lines, consolidating parishes, dissolving parishes, or creating new parishes shall be submitted to the electors of the parishes to be affected at a special election held for that purpose. The change shall take effect only if two-thirds of the total vote cast on the question in each affected parish is in favor thereof.

Reported without action. There is a division among members of the subcommittee as to whether a majority vote or two-thirds vote should be required to change parish lines. The Law Institute recommends a majority vote.


Comment: Provides for ratification of existing parish boundaries. Increases the population requirement of the existing provision for creation of new parishes from 7,000 to 50,000 inhabitants.

Section 4. New or Enlarged Parishes: Adjustment of Assets and Liabilities

Section 4. When a parish is enlarged or created from contiguous territory, it shall be entitled to a just proportion of the property and assets and shall be liable for a just proportion of the existing debts and liabilities of the parish or parishes from which the territory is taken.

Reported favorably.


Comment: This section provides a method of property division and debt assumption when new parishes are created or when parishes are enlarged. This section is taken verbatim from the source provision.

Section 5. Removal of Parish Seat

Section 5. Upon the written petition of not less than twenty-five percent of the electors, as certified to by the registrar of voters, the governing authority of a parish shall call an election on the question of changing the location of the parish seat. The location of a parish seat shall not be changed unless two-thirds of the total vote cast on the question is in favor thereof.

Reported favorably.


Comment: This section retains the requirement of a two-thirds approval by the electors voting at a special election to affect a change in the location of the parish seat, and also adds details as to how the election may be called and how it shall be conducted.

Section 6. Existing Home Rule Charters and Plans of Government of Parishes and Municipalities Ratified

Section 6. (A) The Plans of government and home rule charters of the parishes of East Baton Rouge, Jefferson, and Plaquemines and of the cities of New Orleans, Baton Rouge, and Shreveport shall remain in effect until amended, modified, or repealed as provided therein. Each of them shall retain the authority, powers, rights, privileges, and immunities granted by its charter. Each shall be subject to the duties imposed by the applicable constitutional provisions under which its plan or charter was adopted. Each of them also shall enjoy such additional powers as are granted to political subdivisions by provisions of this constitution, unless the exercise of such powers is prohibited by its charter.

(B) Every other home rule charter adopted or authorized when this constitution is adopted shall remain in effect and may be amended, modified, or repealed as provided in the charter.

Reported favorably.

Source: La. Const. Art. XIV, §§3(a), 3(c), 3 (second d), 22, 3) (1921).

Comment: (a) The source provisions provide in detail for the establishment and operation of the plan of government for the parishes of East Baton Rouge and Jefferson, and the cities of Baton Rouge, New Orleans, and Shreveport. Since the source provisions provide for purely local matters, it is not necessary to include the detailed provisions in the text of the constitution.

(b) Under Const. Art. XIV, §3 (second d), detailed procedures are set out for the adoption of a charter commission form of parish government. Such a plan of government has been adopted in Plaquemines Parish and is specifically ratified in this section.
any power and perform any function pertaining to its govern-
ment and all other powers necessary, requisite, or proper
for the management of its affairs not denied to it by its
charter, by this constitution, or by general law, including
but not limited to the power (1) to legislate upon, regulate,
conduct, and control all matters of local governmental
administration; (2) to define the powers, duties, and qualifi-
cations of parochial or municipal employees; (3) to provide
for the protection of the public health, safety, morals, and
welfare; (4) to create special districts; (5) to license; (6)
to tax any enterprise or object not excluded by this consti-
tution or the general laws of this state; (7) to incur debt
and issue bonds, except as otherwise provided in this
constitution. Any political subdivision may exercise
concurrently with the state any power or function pertaining
to its government and affairs to the extent that the legislature
by general law does not specifically limit the concurrent
exercise of any such power or functions or specifically declare
the state's exercise of any such power or function to be ex-
clusive except as hereinafter provided.

(B) Political subdivisions do not have the power (1) to
incur debt payable from ad valorem tax receipts maturing
more than forty years from the time it is incurred; (2) to
define and provide for the punishment of a felony; or (3)
to enact private or civil ordinances governing civil rela-
tionships.

(C) Political subdivisions shall have the power that
the legislature may provide by law to levy and collect
occupational license taxes or taxes upon or measured
by income or earnings.

(D) The legislature may not deny or limit the power of
political subdivisions (1) to make local improvements by
special assessment and to exercise this power jointly
with other parishes and municipalities, and other classes
of units of local government having that power on the
effective date of this constitution unless that power is
denied by law to all other political subdivisions of the
same kind; or (2) to levy additional taxes upon areas within
their boundaries, in the manner provided by law, to provide
special services to those areas and for the payment of debt
incurred to provide those special services.

(E) The legislature shall not pass any law which changes,
modifies, or affects the structure and/or organization
and/or the particular distribution and redistribution of
the powers and functions of any political subdivision which
operates under a home rule charter.

(F) Powers and functions of any political subdivision
shall be construed liberally in favor of the political
subdivision.

Comment: (a) The provisions in this section grant broad
powers of local self-government to parishes, municipalities,
and other units of local government. The grant of powers
is accomplished in two ways. In paragraph A these units
of local government are given general authority to

exercise any power and perform any function relating to
their government and affairs. Second, four important
powers—to regulate, to license, to tax, and to incur
indebtedness—are enumerated in the powers given to these
units of local government.

(b) This broad grant of powers in subject to restrictions
set forth in paragraph B relating to local debt, defining,
and providing for punishment of a felony and private or
civil laws governing civil relationships.

Section 8. Home Rule Charter

Section 8. (A) Any political subdivision may draft,
adopt, or amend a charter of government to be known as a
home rule charter in accordance with the provisions of
this section. The governing authority of any such political
subdivision may appoint a commission to prepare and propose
a charter, or may call an election for the purpose of
electing such a commission.

(B) The governing authority of any such political
subdivision shall call an election to elect a commission
to prepare and propose a charter or alternate charter when
presented with a petition signed by not less than twenty
percent of the electors who live within the boundaries of
the affected political subdivision, as certified by the
registrar of voters.

(C) A home rule charter shall be adopted when approved
by a majority of the electors voting on the charter
proposal at an election called for that purpose.

Reported favorably.


Comment: These provisions grant home rule powers to parishes,
municipalities, and other local governmental units authorized
by law to perform general governmental functions. A home
rule charter may be adopted by a municipality under R.S.
33:1381, et seq., which are general laws providing the
requirements for adoption of a home rule charter.

Section 9. Legislation Increasing Municipal or Parish
Financial Burden; Local Approval

Section 9. No law requiring an increase in expenditures
from funds of a political subdivision shall have effect
until approved by ordinance enacted by the governing
authority of the political subdivision affected thereby.

When funds sufficient to meet the increased expenditure
are provided to the political subdivision by law, local
approval shall not be required.

Reported without action. There is a division among members of
the subcommittee. Some members feel if this section is
adopted, a provision should be approved allowing municipal
employees to bargain collectively, and/or a provision per-
mitting municipal employees under civil service to engage
in certain political activities.

Comment: Authorizes the legislature to impose new financial
burdens upon a political subdivision only when funds
are made available from state sources or, if not, only
after the local governing authority has approved the
increase.

Section 10. Appropriation to Political Subdivisions
Section 10. When the legislature makes funds
available to one or more political subdivisions and does
not specify within the act the particular purposes and
amounts for which such funds shall be allocated, the
determination of the purposes for which such funds shall
be expended, and the amount to be expended for each purpose
shall be made solely by the governing authority of the
political subdivision or political subdivisions to which
the funds are appropriated, or otherwise made available.

Reported favorably.

Source: New

Comment: This provision grants to political subdivisions control
over specific expenditure of funds appropriated by the legis-
lature when the legislature fails to specify within the
act making the funds available the particular purposes
and amounts for which such funds shall be allocated.

Section 11. Governing Authorities of Parishes and Munici-
palities; Controls Over Agencies They Create
Section 11. (A) In addition to any other powers
granted by the legislature, the governing authority of a
political subdivision shall have the following powers
over any agency heretofore or hereafter created by it:
(1) to appoint and remove members of the governing body
of the agency; (2) to exercise budgetary and fiscal control
over the agency, including the power to modify or veto
its operating budgets, in whole or in part; or to substitute a
different budget therefore; (3) to abolish the governing
body of the agency and to substitute itself therefore, with
authority to exercise all of its powers and functions; and
(4) to abolish the agency if the obligations or indebted-
ness of the agency are not thereby impaired. No such
agency shall have authority to levy any tax or issue any
bonds unless the proposal to be submitted to the electorate
therefore first is approved by the governing authority of
the political subdivision.

(B) If the creation of the agency required the con-
currence of two or more such governing authorities,
concurrence of all of them shall be required for the
exercise of the above powers.

Reported favorably.


Comment: Restates the source provision without substantive
change, but adds authority to political subdivisions to
appoint and remove members of the governing bodies of
agencies created by them, and adds authority to the
governing authority of the political subdivision to
substitute itself for the governing board and to exercise
all of its powers and functions.

Section 12. Assumption of Debt
Section 12. (A) Any political subdivision may assume
the debt of any district or public agency, except school
districts, situated and having jurisdiction entirely within
the boundaries of such political subdivision and may merge
or consolidate such district or agency into such political
subdivision and upon such debt assumption the political
subdivision shall succeed to and be vested with all of the
rights, revenues, resources, jurisdiction, authority, and
powers of such district or agency. No such action shall
take effect unless a majority of the electors in such
district and a majority of the electors in the political
subdivision assuming the debt who vote in an election held
for that purpose vote in favor of the proposition.

(B) If the district or agency which is abolished has any
outstanding indebtedness, the authority provided for by this
section shall not be exercised unless provision is made for
the assumption of such indebtedness by the governing
authority or authorities of the political subdivisions
involved.

Reported favorably.


Comment: The source provision authorizes any parish to assume
the debt of certain enumerated special districts, provided
that property taxpayer approval is secured at an election
held for that purpose. The above section extends the source
provision to authorize any political subdivision to assume
the indebtedness of any district or public agency, except
school districts, lying entirely within its boundaries.
Present provision requires a majority in number and amount to approve the action. Proposed provision requires a majority of the electors. This brings the provision into conformity with recent United States Supreme Court decisions to eliminate the taxpayer requirement for voting in such elections.

Section 13. Local Officials

Section 13. The electors of each political subdivision shall have the exclusive right to elect the chief executive officer and the members of their respective governing authorities. Such officials shall not be subject to removal by the legislature. The salaries of these officials shall not be reduced during the terms for which they are elected.

Reported favorably.


Comment: Restates without substantive change Paragraph b of Section 40, but broadens it to include parish officials.

Section 14. Filling of Vacancies; Appointment

Section 14. (A) Vacancies occasioned by death, resignation, or otherwise, in the office of sheriff, assessor, clerk of a district court, coroner, police jury, city council, parish or municipal governing authority, or special district thereof, mayor or chief executive officer of any political subdivision, city or parish school board, and any other local official elected within the boundaries of the political subdivision, shall be filled by appointment by the governing authority of the political subdivision or by the city or parish school board, unless otherwise provided by the home rule charter or plan of government of the political subdivision. A tie vote by the governing authority of the political subdivision or school board shall be broken by its presiding officer regardless of the fact that he may already have voted as a member of the appointing body.

(B) If, at the time a vacancy occurs in an elective office for which appointment is provided in Paragraph A of this section, the unexpired portion of the term of office is more than one year, a special election to fill the vacancy shall be held, without the necessity of a call by the governor, not more than six months nor less than four months, after first receipt of notice of the vacancy by the secretary of state, to be given as hereinafter provided, in the political subdivision or special district thereof in which the vacancy occurred, and in such case the appointment provided for in Paragraph A of this section shall be effective only until a successor is duly elected and qualified.

(C) Upon being informed of the occurrence of a vacancy in any of the offices specified in Paragraph A of this section, the clerk of the district court in the parish where the vacancy occurred, and in the parish of Orleans the clerk of the Criminal District Court, shall, within twenty-four hours after being thus informed, notify the secretary of state in writing by registered or certified mail of the occurrence of the vacancy. Upon receipt of such notice, the secretary of state shall, within twenty-four hours after such receipt, notify in writing by registered or certified mail all election officials, including party committees and boards of supervisors of elections, having any duty to perform in connection with a special election to fill such vacancy.

(D) Nothing in this section shall be construed as changing the qualifications for the various offices involved and all appointments must be of persons who would otherwise be eligible to hold offices to which appointed.

(E) The provisions of this section shall apply to all political subdivisions unless otherwise provided by the charter or plan of government of the political subdivision adopted in conformity with this constitution.

Reported favorably.


Comment: (a) This provision authorizes the governing authority of the political subdivision wherein the vacancy occurs, rather than the governor, to fill vacancies. Deleted from the source provision are the elected offices of district judge and district attorney.

(b) Other provisions in this section restate the source provision and make no change in the law.

Section 15. Acquisition of Property

Section 15. Subject to such restrictions as the legislature may provide by general law, political subdivisions may acquire property for any public purpose, including but not limited to acquisition by purchase, donation, expropriation, or exchange.
Section 17. Prescription Against State and Political Subdivisions

Section 17. Prescription shall not run against the state or any political subdivision or special district there- of in any civil matter, unless otherwise provided in this constitution or expressly by general law.

Reported favorably.


Comment: Existing provision prohibits the running of prescription against the state, except as provided by the constitution or laws. Revised section broadens this to include political subdivisions and special districts.

Section 18. Zoning

Section 18. Political subdivisions may enact zoning ordinances and create and classify therein residential, commercial, industrial, and other districts, and preserve the character of buildings, monuments, structures, and buildings and areas of historical importance. Political subdivisions may create airport zones and regulate the heights of buildings, structures, and objects of natural growth in areas surrounding airports.

Reported favorably. Mary Zervigon expressed the view that authority granted in this section is not sufficient to enable the Vieux Carre Commission to effectively perform its functions.


Comment: The source provision grants zoning authority to municipalities generally, and to certain named parishes. The revision extends the general authorization to all political subdivisions.

Section 19. Industrial Areas

Section 19. The legislature may authorize parishes to create industrial areas within their boundaries in accordance with such procedures and subject to such regulations as the legislature shall determine. Parish industrial areas shall not be subdivisions of the state.

Reported favorably.


Comment: The above revised provision continues the legislative authority to permit the creation of industrial areas, but leaves all of the procedures and regulations to the discretion of the legislature.

Section 20. Assistance to Local Industry by Political Subdivisions

Section 20. (A) Subject to such restrictions as it may impose, the legislature may authorize any political subdivision, in order (i) to induce and encourage the location of or addition to industrial enterprises therein, or (ii) to provide funds for the establishment and furnishing of industrial plants for the conversion or processing of raw forms of agricultural products, or (iii) to provide movable or immovable property, or both, for pollution control facilities, to issue bonds and use the funds derived from the sale thereof to acquire and improve industrial plant sites and other property necessary to the purposes thereof, and to acquire, through purchase, construction, or otherwise, and to improve, industrial plant buildings and industrial plant equipment, machinery furnishing, and appurtenances, and to sell, lease, or otherwise dispose of all or any part of the foregoing.

(b) It is hereby found and declared that the purposes designed to be accomplished herein are public and proper legal purposes and will be of public benefit to the political subdivision issuing the bonds.

Reported favorably.

Source: La. Const. Art. XIV, §14(b.2), (b.3) (1921).

Comment: (a) The source provision provides detailed procedures for the issuance of bonds by political subdivisions to induce, encourage, and aid the location of industry therein.

Paragraph A of the revised section adopts the principle that the legislature may authorize such bonds, and the detailed procedures for the issuance of the bonds are omitted from the constitution and should be placed in the statutes.

(b) Continues present stipulation that such bonds are for public and proper legal purposes.

Section 21. Creation of Special Districts: Authority

Section 21. The power of the legislature by general or special law to create or authorize the creation of special districts, boards, agencies, commissions, and authorities of every type useful in carrying on the duties and functions of political subdivisions and, subject to the limitations imposed in this constitution in Section 7(D) of this Article, to grant the special districts, boards, agencies, commissions, and authorities so created such rights, powers, and authorities as it deem proper, including, but not limited to, the power of taxation, the power to incur debt and issue bonds, and the power to reclaim property from the beds of lakes and streams, is hereby confirmed.
Comment: (1) It is the purpose of this section, not only to clearly vest plenary authority in the legislature to create or authorize the creation of special districts and authorities of every type and define their powers, but this section is also to negate any argument that further constitutional authority is necessary for the legislature to exercise this function. The legislature will, however, be subject to limitations otherwise provided by the constitution, such as tax exemptions and debt limitations.

(2) The effect of the above section is to remove from the constitution the following: (1) ports, harbors and terminal districts (§30.1 and 31); (2) Lake Charles Harbor and Terminal District (§30.2); (3) navigation and river improvement districts (§30.3 and 30.4); (4) Red River Waterway (§30.5); (5) garbage districts (§34); (6) Fourth Jefferson Drainage District (§35); (7) Jefferson Parish community center and playground districts (§36); (8) Jefferson Parish subsewerage districts (§37.1); (9) Jefferson Parish public improvement districts (§38(1st) and §38(2nd)); (10) Calcasieu community center and playground districts (§39.1); (11) Jefferson Parish drainage districts (§43); (12) Sabine River Authority (§45); and (13) Louisiana Stadium and Exposition District (§47). The foregoing list is not exclusive. (References are to present sections).

(3) It is the purpose of the revised section to continue by legislative acts the special districts, boards, agencies, commissions, and authorities provided for in the present Article XIV. Legislation should be submitted to place them in the revised statutes.

(4) It is further recognized, however, that certain existing agencies by reason of their importance, scope, or peculiar circumstances have or should have special treatment in the constitution, such as the Civil Service Commission and the Board of Liquidation of City Debt of New Orleans. They are continued by other sections of the revision.

Section 23. Classification

Section 23. Except as provided in Section ____, the legislature may classify political subdivisions according to population or on any other reasonable basis related to the purpose of this classification, and legislation may be limited in its effect to any of such class or classes; but, no statute which is applicable to fewer than six political subdivisions shall become operative in any such political subdivision until submitted to and approved by a majority of the qualified electors of that political subdivision voting in an election held for that purpose.

Comment: Under the source provision, legislation applicable to fewer than the five largest cities of the state shall not become operative in the city of New Orleans until approved by a majority of the qualified electors of the city of New Orleans voting at an election. The provision provides that if a law is applicable to fewer than six political subdivisions the law becomes operative in a political subdivision to which it applies only if approved by the voters of that political subdivision. Thus, the law becomes operative in a municipality where it is approved, even if it does not become operative in others because the voters disapprove or no election is held. The exception of Section ____ deals with municipal taxation; under that section the legislature is authorized to make exceptions for individual municipalities from general laws pertaining to taxation.

Section 24. Uniform Procedure for Calling, Conducting, and Canvassing the Returns of Certain Special Elections

Section 24. When any election is required to be held in any political subdivision pursuant to the provisions of this constitution which requires submission to the electors of any proposition or question, such as the change of parish lines, change of a parish seat, levying of taxes, issuance of bonds or incurring of other debt obligations, the assumption of debt, or the adoption of a home rule charter, the election shall be called, conducted, and the returns thereof canvassed, in accordance with the law pertaining to elections for incurring bonded indebtedness and special taxes relative to local finance, as the same now exists or may hereafter be amended, or as may be otherwise provided by the legislature.

Reported favorably.


Reported favorably.
Section 25. Supremacy of Constitution and General Laws

Section 25. The provisions of this constitution shall be paramount and neither the legislature, nor any political subdivision, shall enact any laws or ordinances in conflict therewith. Except as otherwise provided in this constitution, the general laws enacted by the legislature shall be paramount to the ordinances of any political subdivision.

Comment: Provides definitions for various terms used in this Article.

Section 26. Intergovernmental Cooperation

Section 26. Any political subdivision may exercise any of its powers or perform any of its functions, including the financing thereof, jointly or in cooperation with any governmental entities, either within or without the state, except as the legislature shall provide otherwise by law.

Comment: Provides definitions for various terms used in this Article.

Section 27. Terms Defined

Section 27. 1. As used in this Article "municipality" means incorporated cities, towns, and villages.

2. "Political subdivision" as used in this constitution refers to parishes, municipalities, and any other unit of local government authorized by law to perform general governmental functions.

3. "Governing authority" means the body which exercises the legislative functions of the political subdivision.

4. "Chief executive officer" as used in this Article refers to the mayor, or any other popularly elected chief executive of any political subdivision.

5. "General law" as used in this article refers to a law of statewide concern which is uniformly applicable to every political subdivision in the entire state or which is uniformly applicable to all political subdivisions

the classification provisions of Section 23 of this Article.

6. "Special law" means any law other than a general law.

Reported favorably.

Source: New

Comment: Provides definitions for various terms used in this Article.

MINUTES

Minutes of the Committee on Local and Parochial Government of the Constitutional Convention of 1973

Held pursuant to notice mailed by the Secretary of the Convention on June 7, 1973

Conservation Auditorium, Natural Resources Building, Baton Rouge, Louisiana

Friday, June 15, 1973, 1:00 p.m.

Saturday, June 16, 1973, 9:00 a.m.

Presiding: Chalin O. Perez, Chairman, Committee on Local and Parochial Government

Present: Chalin O. Perez  Absent: H. M. Fowler

1. Jackson Burson
2. Joseph Conino
3. Johnny Jackson
4. Terry Reeves
5. R. Gordon Kean
6. Harvey Cannon, Jr.
7. Ethan Chatelain
8. Mayor Pete Heine
9. Edward D'Gerolamo
11. George Dewey Hayes
12. Walter Lanier, Jr.
13. V. C. Shannon
14. J. E. Stephenson
15. Dorothy Mae Taylor
16. Joseph Toomy
17. Frank Ulio
18. Mary Servigon

Within the same class as established in accordance with
The chairman called the meeting to order and the secretary called the roll.

Mr. Toomy explained what action the Subcommittee on General Provisions had taken the previous day.

Mr. Perez submitted amendments he had discussed on the previous day with the Subcommittee on General Provisions, and briefly explained them to the committee.

Mr. Lanier suggested that the committee consider Sections 6, 7, 8, and 9 together. Mr. Conino offered an amendment to the motion that Section 9 be deleted from consideration with Sections 6, 7, and 8. The motion carried.

After discussion Mr. Lanier offered a motion to consider Section 7 first, and that Paragraphs (B), (C), (D), (E), and (F) of this section be considered at a later time. There were no objections to this motion.

Mr. Lanier then moved to recess for one hour in order that the delegates could study Sections 6, 7, and 8 more carefully. However, Mr. Giarrusso objected to this motion, stating that the committee should continue their discussion, and allow Mr. Perez to offer his suggestions in the form of amendments. The original motion carried with one objection from Mr. Giarrusso.

After the recess, Mr. Burson offered a motion to delete Paragraphs (B), (C), (D), (E), and (F) from Section 7, and alter Section A to read as follows:

Section 7. Powers of Local Governmental Subdivisions

Any local governmental subdivision may exercise and perform any power and function necessary, requisite, or proper for the management of its affairs not denied to it by its charter, by this constitution, or by general law, including but not limited to the power to (1) legislate upon, regulate, conduct, and control all matters of local governmental administration; (2) to define the powers, duties, and qualifications of parochial or municipal employees; (3) to provide for the protection of the public health, safety, morals, and welfare; (4) to create special districts; (5) to license; (6) to tax under the limitations provided in this constitution or the general laws of this state; (7) to incur debt and issue bonds, except as otherwise provided in this constitution. Any local governmental subdivision may exercise concurrently with the state any power or function pertaining

The motion was then offered by Mr. Kean to add Section 8(c) submitted by Mr. Perez, as Section 8(d), with an additional amendment. The motion carried without objection. Section 8 as amended reads as follows:

Section 8. (A) Any local governmental subdivision may draft, adopt, or amend a charter of government to be known as a home rule charter in accordance with the provisions of this Section. The governing authority of any such local governmental subdivision may appoint a commission to prepare and propose a charter, or may call an election for the purpose of electing such a commission.

(B) The governing authority of any such local governmental subdivision shall call an election to elect a commission to prepare and propose a charter or alternate charter when presented with a petition signed by not less than fifteen percent of the electors who live within the boundaries of the affected subdivision, as certified by the registrar of voters.

(C) A home rule charter shall be adopted when approved by a majority of the electors voting on the charter proposal at an election called for that purpose. 

(D) A home rule charter, or any amendment thereto, adopted pursuant to the provisions of this Section, shall provide for the structure, organization, powers, and functions for the government of the local governmental subdivision, which may include the exercise and performance of any power and function necessary, requisite, or proper for the management of its affairs, not denied by general law or this constitution; provided, however, the legislature shall not pass any law affecting the structure, organization and/or the particular distribution and redistribution of the powers and functions of any local governmental subdivision which operates under a home rule charter.

Mr. Burson offered a motion to adopt Section 6 as amended which reads as follows:

Section 6. (A) The plans of government and home rule charters of the parishes of East Baton Rouge, Jefferson, and Plaquemines and of the cities of New Orleans, Baton Rouge, and Shreveport shall remain in effect, but may be amended, modified, or repealed as provided therein. Each of them shall retain the authority, powers, rights, privileges, and immunities granted by its charter. Each shall be subject to the duties imposed by the applicable constitutional provisions under which its plan or charter was adopted. Each of them also shall enjoy such additional powers and functions as a local governmental subdivision by provisions of this constitution, including Sections 7 and 9 of this Article, unless the exercise of such powers and functions is prohibited by its charter.

(B) Every other home rule charter adopted or authorized when this constitution is adopted shall remain in effect and may be amended, modified, or repealed as provided in the charter.

The motion carried without objection.

The committee recessed at 5:00 p.m. until the next morning at 10:00 a.m.

Saturday, June 16, 1973, 10:00 a.m.

Presiding: Chalin O. Perez, chairman of the Committee on Local and Parochial Government.

Chairman Perez called the meeting to order and the minutes of June first and second were approved.

Mrs. Servigon offered a motion to adopt Section 9 to read as follows:

"No law requiring an increase in expenditures from funds of a political subdivision, shall have effect until approved by ordinance enacted by the governing authority of the political subdivision affected thereby, or until the legislature appropriates funds to the affected political subdivision for that purpose and only to the extent and amount that such funds are provided."

However, Mr. Reeves offered a substitute motion to delete Section 9 as reported by the subcommittee and insert
in lieu thereof the following proposal:

"No law requiring an increase in expenditures from funds of a political subdivision, except laws providing for wages, hours, working conditions, pension and retirement benefits, sick leave and other laws affecting political subdivision employees engaged in hazardous occupations, namely firemen and policemen, shall have effect until approved by ordinance enacted by the governing authority of the political subdivision affected thereby, or until the legislature appropriates funds to the affected political subdivision for that purpose and only to the extent and amount that such funds are provided."

After considerable discussion, Mayor Heine discussed the possibility of establishing a municipal board of review, composed of seven to nine members to be appointed by the legislature, to act as a source of redress when employees fail to receive results from the local officials. Mr. Keen then offered a motion that the committee defer action on Section 9 to enable the Subcommittee on General Provisions, and the staff working with Mayor Heine, to draft a provision considering all points brought before the committee. A roll call vote was taken on Mr. Keen's motion:

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<td>Mary Zervigon</td>
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There being 13 yea and 5 nays, the motion carried.

Mr. Lanier submitted an alternate proposal for Section 12, which reads as follows:

(A) Any local governmental subdivision may consolidate and merge into itself any special district or public agency, except school districts, situated and having jurisdiction entirely within the boundaries of such local governmental subdivision. Upon such merger or consolidation the local governmental subdivision shall succeed to and be vested with all of the rights, revenues, resources, jurisdiction, authority, and powers of such special district or public agency. No such action shall take effect unless a majority of the electors in such special district and a majority of the electors in the political subdivision assuming the debt who vote in an election held for that purpose vote in favor thereof and such action is approved by the legislature.

(B) If the special district or public agency which is abolished has any outstanding indebtedness, the authority provided for by this Section shall not be exercised unless provision is made for the assumption of such indebtedness by the governing authority or authorities of the local governmental subdivisions involved.

Mr. Burson offered an amendment to delete the phrase "and such action is approved by the legislature" at the end of Paragraph (A). The amendment carried without objection.

The alternate proposal was adopted as Section 12 without objection.

Mr. Burson offered a motion to adopt Section 13 with the suggested amendments by the chairman which reads as follows:

The electors of each local governmental subdivision shall have the exclusive right to elect the members of their governing authority and, if a plan, or form of government, or home rule charter so provides, their chief executive officer at elections held in accordance with the election laws of the state. Such officials shall not be subject to removal by the legislature. The salaries of these officials shall not be reduced during the terms for which they are elected.

The motion carried without objection.

A motion was then offered by Mr. Burson for the adoption of Section 23, as amended by the chairman, which reads as follows:

Except as provided in this constitution, the legislature may classify parishes or municipalities according to population or on any other reasonable basis related to the purpose of this classification, and legislation may be limited in its effect to any of such class or classes; but, no statute which is applicable to fewer than six parishes or municipalities shall become operative in any such parish or municipality until approved by ordinance enacted by the governing authority of the political subdivisions affected thereby.

However, Mr. Hayes offered a substitute motion to delete the phrase beginning with "but, no statute which is applicable... affected thereby." A roll call vote was taken on the substitute motion:

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<td>Joseph Toomy</td>
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<td>Mary Zervigon</td>
<td>Frank Ullo</td>
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There being 13 yea and 3 nays, the motion failed to carry.

Mr. Jackson then offered a substitute motion to delete the words "fewer than six". A roll call vote was taken:

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<td>Mary Zervigon</td>
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There being 9 yea, 7 nays and 1 abstention from Mrs. Taylor, the motion was defeated.

The original motion by Mr. Burson carried unanimously.

Mr. Burson then offered a motion to adopt the first sentence of Section 25, which reads as follows:

The provisions of this constitution shall be paramount and neither the legislature, nor any political subdivision, shall enact any laws or ordinances in conflict therewith.

The motion carried unanimously.

A motion was then offered by Mr. Burson to adopt the first sentence of Section 26 as amended by the chairman which reads as follows:

Any political subdivision may exercise and perform any of its authorized powers and functions including the financing thereof, jointly or in cooperation with one or more political subdivisions, either within or without the state, except as the legislature shall provide otherwise by law.

The motion carried without objection.

After considerable discussion, Mr. D'Gerolamo offered a motion that the first sentence of Section 26 become the entire Section 26. There were no objections to this motion.

Mrs. Zervigon suggested that the second sentence of Section
26 be referred back to the Subcommittee on General Provisions for further study.

Mr. Chatelain offered a motion to adopt the definitions submitted for local governmental subdivision, municipality, political subdivision, governing authority, and general law.

The motion carried without objection.

Mr. Chatelain then offered an amendment to Section 8 previously adopted. The amendment included the insertion of a new paragraph (D), which reads as follows:

(D) Two or more local governmental subdivisions situated within the boundaries of one parish may avail themselves of the provisions of this section, provided that a majority of the electors who vote in each local governmental subdivision, in an election held for that purpose, vote in favor thereof. The legislature shall provide for the method of appointment or election of a commission to prepare and propose a charter, provided, however, that at least one member of the commission shall be elected or appointed from each such local governmental subdivision. The legislature shall provide the method by which the electors of more than one local governmental subdivision within the boundaries of one parish may petition for an election for such purpose.

The motion carried without objection.

Mr. Hayes submitted a proposal which reads as follows:

When a majority of the electors of an unincorporated settlement in any parish operating under a home rule charter or a home rule plan of government sign and present to the governor a petition and meet other necessary requirements as set forth under the general laws providing for the incorporation of cities, towns, and villages, such cities, towns, and villages may be incorporated.

Mr. Keen offered an amendment to change the word "majority" to "two-thirds". A roll call vote was taken:

Yeas: I. Jackson Burson
Joseph Conino
Terry Reeves
Gordon Kean
Mayor Heine
Edward D'Geralolo
Joseph Giarrusso, Sr.
Walter Lanier, Jr.
Joseph Toomy
Mary Zervigon

Nays: Johnny Jackson
Harvey Cannon, Jr.
Ethan Chatelain
George Dewey Hayes
V. C. Shannon
J. E. Stephenson
Dorothy Mae Taylor
Frank Ullo

There being 10 nays and 8 yeas, the motion carried.

Mr. Keen offered an amendment to insert the words "or city" after the word "parish". A roll call vote was taken:

Yeas: R. Gordon Kean
Joseph Giarrusso, Sr.
George Dewey Hayes

Nays: I. Jackson Burson
Joseph Conino
Terry Reeves
Harvey Cannon, Jr.
Ethan Chatelain
Mayor Heine
Edward D'Geralolo
Walter Lanier, Jr.
V. C. Shannon
J. E. Stephenson
Dorothy Mae Taylor
Joseph Toomy
Frank Ullo
Mary Zervigon

There being 15 nays and 3 yeas, the motion was defeated.

Mr. Keen offered an amendment to insert at the end of the proposal:

provided, however, no such newly incorporated area shall include any property previously included in any industrial area or district.

Mr. Hayes accepted Mr. Keen's amendment.

After discussion, Mr. D'Geralolo moved that the matter be tabled, and a roll call vote was taken:

Yeas: Joseph Conino
R. Gordon Kean
Mayor Pete Boine
Edward D'Geralolo
Joseph Giarrusso, Sr.
Walter Lanier, Jr.
Joseph Toomy
Mary Zervigon

Nays: I. Jackson Burson
Johnny Jackson
Terry Reeves
Harvey Cannon, Jr.
Ethan Chatelain
George Dewey Hayes
V. C. Shannon
J. E. Stephenson
Dorothy Mae Taylor
Frank Ullo

There being 10 nays and 8 yeas, the motion failed.

Mr. Jackson offered a motion to adopt Mr. Hayes' amendment, and a roll call vote was taken on the motion.

Yeas: I. Jackson Burson
Joseph Conino
Johnny Jackson
Terry Reeves
Harvey Cannon, Jr.
Edward D'Geralolo

There being 10 nays and 8 yeas, the motion carried.

Mr. Burson offered a motion to adopt Section 7(B) and have it placed in the appropriate article. The section reads as follows:

Local governmental subdivisions do not have the power (1) to incur debt payable from ad valorem tax receipts maturing more than forty years from the time it is incurred; (2) to define and provide for the punishment of a felony; or (3) to enact private or civil ordinances governing civil relationships.

There were no objections to this motion.

Sections (C) and (D) of Section 7, were referred to the Subcommittee on Finance for further consideration.

A motion was then offered by Mr. Burson to adopt Paragraph (F) of Section 7, which reads as follows:

Powers and functions of any local governmental subdivision shall be construed liberally in favor of such local governmental subdivision.

The motion carried without objection.

Mr. Reeves offered a motion to adopt Section 14.1 as proposed by the chairman which reads as follows:

Vacancies occasioned by death, resignation or otherwise in the office of sheriff, assessor, clerk of a district court, or coroner shall be filled by appointment by the governing authority of the parish at the time and in the manner provided in Paragraphs (B) and (C) of Section 14 of this Article.

However, Mr. Lanier offered a suggestion that this article be deleted and adoption of the article by the Judiciary Committee be established. A roll call vote was taken on

Mr. Reeves' original motion. The motion carried with 17 yeas and 1 nay from Mr. Lanier.

Mr. Toomy offered a motion to insert Section 14.1 as Paragraph (F) of Section 14, and change the present (F) to (G). The motion carried without objection.

Mr. Giarrusso then offered a motion to insert the word "state" between the words "any" and "court" of Paragraph (G). The motion carried without objection.

Mr. Toomy offered a motion to delete the phrase "or chief executive officer of any political subdivision" in
Paragraph (A) of Section 14. There were no objections to this
motion.
Mr. Ream wished to serve notice to reconsider the Haynes
proposal at a later time.
The committee then discussed the proposal relative to
levee districts. They amended and adopted the articles as
shown on the attachment.
Mr. Reeves advised the committee that the Subcommittee
on Special Districts; Transportation, Ports, and Harbors,
will meet on Friday, June 22, 1973, at 10:00 a.m., and Saturday,
June 23, 1973, at 9:00 a.m.
Mr. Burson stated that the General Provisions and the
Finance Subcommittee will meet on Saturday, June 23, 1973, at
9:00 a.m.
It was also decided that the full committee would meet
on Thursday, June 28, 1973, at 10:00 a.m.; Friday, June 29, 1973,
at 9:00 a.m.; and Saturday, June 30, 1973, at 9:00 a.m.
The committee adjourned at 5:30 p.m.

Challin O. Peres, Chairman 
R. Gordon Zesh, Secretary

LEVEE DISTRICT PROV'ICE No. ONE
ADOPTED BY THE COMMITTEE ON LOCAL AND
PAROCHIAL GOVERNMENT ON JUNE 16, 1973

2 Committee Proposal Number
3 Introduced by
4 A PROPOSAL
5 Relative to levee districts.
6 PROPOSED SECTIONS:
7 Section 1. Levee Districts
8 Section 1. (A) Levee districts as now organized
9 and constituted shall continue to exist except that
10 (1) the legislature may provide for the consolidation,
11 division, or reorganization of existing levee dis-
12 tricts or create new levee districts provided that
13 the members of the boards of commissioners of such
14 districts shall be appointed or elected from resi-
15 dents of such district; (2) any levee district whose
16 flood control responsibilities are limited to and which
17 is situated entirely within the boundaries of one parish
18 may be merged and consolidated into such parish under
19 the terms and conditions and in the manner provided
20 in Article , Section of this constitution.
21 This provision shall be self-operative.
22 (B) No action taken hereunder shall impair the
23 obligation of any outstanding bonded indebtedness
24 or of any other contract of such levee district.
25
26 Source: New
27
28 Comment: Paragraph (A) provides for the maintenance of
29 levee districts as now organized. It allows the legis-
30 lature to reorganize and create districts provided
31 that the boards of commissioners are residents of
32 such districts. It provides for the merger of a
33 single-parish district into a parish government.
34
Paragraph (B) forbids the impairment of contracts
of any district.

CC-

Section 2. District Taxes; Orleans Levee District
1 Tax and Refunding Bonds; Increase in Tax to Raise
Additional Funds
2 Section 2. (A) For the purpose of constructing
3 and maintaining levees, levee drainage, flood protec-
4 tion, hurricane flood protection, and for all other
5 purposes incidental thereto, the governing authority
6 of each district, may levy annually a tax not to ex-
7 ceed five mills on the dollar, except the Board of
8 Levee Commissioners of the Orleans Levee District,
9 which may levy annually a tax not to exceed two and
10 one-half mills on the dollar, on all taxable property
11 situated within the alluvial portions of said dis-
12 trict subject to overflow.
13 (B) Should the necessity to raise additional
14 funds arise in any levee district for any of the pur-
15 poses herein set forth, or for any other purpose re-
16 lated to its authorized powers and functions which
17 may be specified by the legislature, the tax herein
18 authorized may be increased; provided, however, that
19 before taking effect, the necessity for the increase
20 and the rate thereof shall be submitted to the electors
21 of such district at an election called and held in
22 the manner provided in Article , Section 24 of this
23 constitution, and no increase in taxes shall occur
24 unless a majority of the electors in such district who
25 vote in the election hereinabove provided for vote in
26 favor thereof.
27
29
Comment: Paragraph (A) retains the source provision except:
30 (1) Adds flood protection as one of the purposes
31 for which levee districts may levy a tax. Orleans Levee
32 District has this authority under present constitution.
33
(2) Adds hurricane flood protection as a purpose
34 for which levee districts, including Orleans, may

[67]
levy a tax.

(1) Removes land reclamation as a purpose for which Orleans Levee District may levy a tax.

(4) Removes the payment of existing and future indebtedness as a purpose for which Orleans Levee District may levy a tax.

(5) Removes the prohibition against any part of this Section impairing the rights of holders of bonds or other obligations of the Orleans Levee District.

Paragraph (B) repeats the source provision and provides for an election procedure to raise additional funds.

Section 4. Interstate Districts

Section 4. The legislature, with the concurrence of an adjoining state, may create levee districts composed of territory partly in each state, and may authorize the construction and maintenance of levees wholly within another state.


Comment: Verbatim with source provision.

Section 5. Cooperation with Federal Government

Section 5. All governing authorities of levee districts which have been, or may be created, are authorized to cooperate with the federal government in the construction and maintenance of the levees in this state, on such terms and conditions as may be provided by the federal authorities and accepted by the levee districts.


Comment: Verbatim with source provision, except provides for acceptance by levee districts instead of state authorities.

MINUTES

Minutes of the Committee on Local and Parochial Government of the Constitutional Convention of Louisiana of 1973

Held pursuant to notice mailed by the Secretary of the Convention on June 21, 1973

LSU Law School, Room 306
Baton Rouge, Louisiana
Thursday, June 28, 1973, 10:00 a.m.
Friday, June 29, 1973, 9:00 a.m.
Saturday, June 30, 1973, 9:00 a.m.

Presiding: Chalin O. Perez, Chairman of the Committee on Local and Parochial Government

Present: Chalin Perez
Joseph Conino
Johnny Jackson
Terry Reeves
R. Gordon Keen
Harvey Cannon, Jr.
Mayor Pete Heine
Edward D'Gerolamo
Joseph Giarrusso, Sr.
George Dewey Hayes
Walter Lanier, Jr.
V. C. Shannon
J. E. Stephenson
Joseph Toomy
Frank Ullo
Mary Zervigon

Mr. Perez stated that at the last meeting a notice of reconsideration was served by Mr. Kean relative to the proposal submitted by Mr. Hayes entitled "Home Rule Parish: Incorporation of Cities, Towns, and Villages". A motion was offered by Mr. Kean that the committee reconsider the vote on this proposal. However, Mr. Hayes urged Mr. Kean to withdraw his motion to reconsider entirely. Mr. Kean called for the question on the motion to reconsider, and a roll call vote was taken:

Yea: Conino
Kean
Heine
Giarrusso
Lanier
Shannon
Toomy
Zervigon

Nays: Cannon
D'Gerolamo
Hayes
Ullo

There being 7 yeas and 4 nays, the motion carried.

Mr. Kean then moved the reconsideration be delayed until 9:50 a.m. the next day. The motion carried without objection.

The chairman stated that the next order of business was Sections 9, 26, and 27 of the General Provision Draft, that were referred back to the Subcommittee on General Provisions for further consideration. In the absence of Mr. Burson, chairman of the Subcommittee on General Provisions, Mr. Kean began explanation of Section 9.

A motion was then offered by Mr. Kean to adopt Section 9 as submitted by the subcommittee. Mr. D'Gerolamo offered...
The chairman suggested the word "the" be deleted on line 9, page 2. Mr. Kean accepted this amendment.

Mr. Jackson then offered an amendment to delete the words "in favor thereof" on line 22, page 2. There were no objections to this amendment.

Section 26 was adopted as amended without objections.

Mr. Kean offered a motion that Section 27 be approved.

Mr. Lanier suggested that the staff add the Litellier case to the comments. Section 27 was adopted without objection.

The staff presented several recommendations to the committee relative to the final draft of the General Provisions Article. The committee reviewed these recommendations and took action accordingly.

Mr. D'Gerolamo served notice of reconsideration of Section 9 on the following day.

Mr. Kean presented the various amendments suggested by the bond attorneys relative to the provisions drafted by the Finance Subcommittee.

The committee recessed at 4:00 p.m. until 9:00 a.m. on Friday, June 29, 1973.

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Friday, June 29, 1973, 9:00 a.m.

Presiding: Chalin O. Perez, Chairman of the Committee on Local and Parochial Government

Present: Chalin O. Perez
Johnny Jackson
Terry Reeves
R. Gordon Kean
Harvey Cannon, Jr.
Ethan Chatelain
Mayor Pete Heine
Edward D'Gerolamo
Joseph Giarrusso, Sr.
George Dewey Hayes
Walter Lanier, Jr.
V. C. Shannon
Jospeh F. Toomy
Frank Ullo
Mary Zervigon

Absent: I. Jackson Burson
H. M. Fowler
J. E. Stephenson
Dorothy Mae Taylor

The chairman called the meeting to order and Mr. Kean offered a motion to adopt the minutes of the meeting of June fifteenth and sixteenth. The motion carried without objection.

The chairman stated that the reconsideration of Section 8.1 (Hayes proposal) was on the floor.

Mr. Kean offered a motion that this section be deleted, however, objection was raised by Mr. Hayes. After considerable discussion, a roll call vote was taken on Mr. Kean's motion.

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There being 8 nays and 7 yeas, the motion failed. Mr. Kean

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There being 8 yeas and 6 nays, the motion carried.

Mr. Kean offered to add the phrase "Except as otherwise provided in this constitution," after "(B)" on line 12, and also to insert the words "the United States or agency thereof" after the word "state" on line 10. There were no objections to these amendments.
stated that he was going to file a minority report.

Mr. Shannon explained his vote saying that he voted for this proposal in order to get in on the floor of the convention so it could be considered by more of the delegates.

Mr. Jackson offered a motion to reconsider the vote by which Mr. Kean’s motion failed and that it be tabled. However, the chairman ruled that the matter was brought up for reconsideration once, and could not be reconsidered again.

Mr. Toomy stated that at the last meeting, the author of this provision indicated that he would submit a definition of the term “unincorporated settlement”. However, this matter was delayed until consideration of the definition section.

The chairman then stated that a notice of reconsideration was served on Section 9. A roll call vote was taken on the matter of reconsideration.

Yeas: Jackson Reeves Cannon D’Gerolamo Hayes Shannon Toomy
Nays: Conino Kean Chatelain Heine Giarrusso Lanier Zervigon
Ullo

There being 8 yeas and 7 nays, Section 9 was up for reconsideration. Mr. D’Gerolamo offered a motion to delete Section 9 as adopted by the committee and to adopt in lieu thereof the following provision:

“No law requiring an increase in expenditures or deductions from the funds of a political subdivision, except a law providing for civil service, minimum wages, working conditions, and retirement benefits for firemen and policemen, shall have effect until approved by ordinance enacted by the governing authority of the political subdivision affected thereby or until the legislature appropriates funds to the affected political subdivision for that purpose and only to the extent and amount that such funds are provided."

Mr. Toomy offered an amendment to delete the words “for civil service, minimum wages, working conditions, and retirement benefits for firemen and policemen”, and insert in lieu thereof “minimum pay or pensions and retirement benefits for municipal firemen and policemen”.

During discussion, Mr. Kean stated his objection to lobbyists talking to members of the committee while in session. The chairman agreed, and also urged the committee members to stay seated.

Mr. Giarrusso called for the question on Mr. Toomy’s amendment. The amendment was rejected by a vote of 14 nays and 1 yea from Mr. Toomy.

Mr. Lanier then offered an amendment to insert “for salaries of local public officials or for wages, hours, working conditions, pension and retirement benefits, vacation or sick leave benefits of political subdivision employees, or an increase in commissions of or for local political subdivision offices” after the word “subdivision” on line 14 and before the word “except” on line 15. Mr. D’Gerolamo accepted this amendment.

Mr. Lanier then offered another amendment to add a semicolon after the word “provided” at the end of the proposal and insert “provided, however, the exception set forth herein relating to laws providing for civil service, minimum wages, working conditions, and retirement benefits for firemen and policemen shall not have effect in local governmental subdivisions operating under a home rule charter, as provided for in Sections 6 and 7 of this Article.”

A roll call vote was taken on this amendment.

Yeas: Conino Nays: Jackson
Kean Reeves Cannon Chatelain Reeves D’Gerolamo
Heine Heine Lanier Hayes Giarrusso Lanier
Zervigon Toomy
Ullo

There being 8 nays and 7 yeas, the amendment was defeated.

Mr. Kean offered an amendment to change the period at the end of the proposal to a semicolon and add “provided, however, in the case of any legislative increase for firemen and policemen, the local governing authority may submit the question of providing for said increase to the electors of the affected local governmental subdivision, and such increase shall not become effective until approved by a majority of the electors voting in the election held for that purpose.” A vote was taken on this amendment:

Yeas: Conino Nays: Jackson
Kean Reeves Cannon Reeves Chatelain Cannon
Heine Heine D’Gerolamo Lanier Lanier
Zervigon Toomy
Ullo

There being 8 nays and 7 yeas, the amendment was rejected.

Mr. Shannon then called for the original motion by Mr. D’Gerolamo to accept his proposal for Section 9 as amended by Mr. Lanier.

Yeas: Jackson Nays: Conino
Kean Reeves Cannon Reeves Chatelain Chatelain
D’Gerolamo Hayes Heine Giarrusso
Hayes Shannon Lanier Lanier

[Roll call vote continued]

Yeas: Toomy
Ullo

There being 8 yeas and 7 nays, the proposal was adopted.

The chairman explained that the Provisions on Finance would be discussed next, a copy of which is attached.

Mr. Toomy, chairman of the Subcommittee on Finance, explained Section 1. There were no objections to the adoption of Section 1 as recommended by the subcommittee.

During discussion of Section 2(A), Mr. Reeves offered a motion to delete the words “and in Jackson Parish the
limitation shall be five mills." However, he later withdrew this motion.

Mr. Shannon offered a motion to delete the word "operating" on line 26, page 1, as suggested by the bond attorneys. The motion carried without objection.

There were no objections to the motion by Mr. Kean to delete the words "in favor thereof" on line 32, page 1.

There were no objections to the adoption of Section 2(A). Mr. Kean offered a motion to delete the word "operating" on line 35, page 1; and the word "for" on line 4, page 2; and insert in lieu thereof the word "forth". The motion carried without objection.

Mr. Shannon moved the adoption of Section 2(B) as amended. Hearing no objections, the chairman so ordered.

Mr. Kean offered a motion to delete the word "operating" on line 5, page 2; and on line 7, between the word "levy" and "on" insert the phrase "without a vote of the electors". He also moved to delete the word "operating" on line 12, page 2. There were no objections to the motion, and Mr. Shannon moved for adoption of Section 2(C). Without objection, the chairman so ordered.

Mr. Toomy offered a motion to adopt Section 2(D) as reported by the subcommittee, and the motion carried without objection.

Mr. Toomy then offered a motion to adopt the entire Section 2, and the motion carried without objection.

Mr. Reeves served notice of reconsideration of Section 2(A) for the following morning.

Mr. Zervigon offered an amendment to delete the words "in favor thereof" on line 12, page 3, and there were no objections to this amendment.

Mr. Kean suggested the deletion of the word "operating" on line 4, page 3, and the chairman so ordered.

Mr. Kean offered a motion to adopt Section 3(A), and the motion carried without objection.

A motion was offered by Mr. Kean to delete the word "operating" on line 15, page 3, and there were no objections to this motion.

Mr. Toomy offered a motion to adopt Section 3(B), and with no objections, the chairman so ordered.

Mr. Chatelain then moved to adopt Section 3(C) as written, and the motion carried without objection.

A motion was then offered by Mr. Toomy for the adoption of Section 3 as amended, and the motion carried without objection.

Mr. Kean offered a motion to place "(A)" after "Section 4.", and to place a period after the word "ratified" on line 17, page 4, and delete the remainder of lines 17, 18, 19, and 20. His motion also included adding "(B) For the purpose of acquiring, constructing, improving, maintaining, and operating any work of public improvement, any political subdivision may levy special taxes when authorized by a majority of the electors voting in an election held for that purpose." The motion carried without objection.

There were no objections to the adoption of Section 4 as amended, and the adoption of Section 5 as reported by the subcommittee.

Mr. Kean offered an amendment to Section 6 to delete the semicolon after the word "state" on line 19, page 5, and add the word "or" between the words "state" and "(2)". However, Mrs. Zervigon offered a motion to delay consideration of Section 6 until after lunch.

Mr. Perez submitted a proposal relative to local and parochial government finance authorizing sales tax (copy attached). However, discussion was delayed until after lunch.

Upon reconvening from lunch, Mr. Perez's proposal was under consideration. Mr. Kean offered an amendment to add "Except as otherwise authorized by a home rule charter provided for in Sections 6 and 7 of this Article, local" after "(A)" on line 14, page 1 of Mr. Perez' proposal. Mr. Perez accepted this amendment.

Mr. Chatelain moved the adoption of Paragraph A as amended, but there was objection raised by Mr. Jackson. A roll call vote was taken on the motion, and the motion carried with 14 yeas and one nay from Mr. Jackson.

Mr. Perez amended his proposal to delete the words "at an election held therein; provided," on line 27; all of line 28; and the words "position of the tax shall be" on line 29; and insert the word "and" in lieu thereof. His amendment also included adding a period after the word "purpose" on line 30, and deleting the word "as" on line 30 and all of line 31. This amendment was accepted.

Mr. Reeves moved adoption of Paragraph B, and the motion carried without objection.

Mrs. Zervigon offered a motion to place a comma after the word "subdivision" on line 35, and add the phrase "provided, that such exemption or exclusion shall also apply to state sales and use taxes." The motion carried without objection.

Mr. Chatelain then offered a motion to adopt Paragraph C as amended, and with no objections, the chairman so ordered.

Mrs. Zervigon moved to delete Paragraph D in its entirety, and the motion carried without objection.

Mr. Chatelain then offered a motion to adopt the entire section as amended, and the motion carried unanimously.

Mrs. Zervigon offered a motion to delay consideration of Sections 6 and 6.1 until tomorrow morning, and the chairman so ordered.
Mr. Kean offered a motion to delete the word "principal" on line 4, page 6, and the words "of and interest on all" and the words "that are payable" on line 5, and line 6 in its entirety and insert in lieu thereof the words "general obligation". His motion also included inserting the words "this constitution or the terms of" after the word "of" on line 7, and after the word "interest" on line 12, insert the words "and redemption premiums, if any". There were no objections to this motion or to the adoption of Section 7.

Mr. Kean offered a definition of the term "general obligation bonds" to read as follows:

"Bonds, the principal and interest of which are secured by and payable from ad valorem taxes levied without limitations as to rate or amount shall be termed general obligation bonds."

It was ordered that this definition be included in the general definition section at the end of the general provisions.

Mr. Kean offered an amendment to add the words "General obligation" before the word "Bonds" on line 28, and to change "Bonds" to "bonds"; and to delete the remainder of line 28 and the words "without limitation as to rate or amount" on line 29. Mr. Kean's amendment also included deleting the words "in number" on line 30, page 6; "voting on the proposition" on line 32; "Funding and" on line 32; and "funded or" on line 35. The amendment carried without objection.

Mrs. Zervigon offered an amendment to insert the words "voting on the proposition at an election" between the words "electors" and "in" on line 31, page 6. The amendment carried without objection.

Mr. Kean then moved to delete the words "funding or" on line 1, page 7, and the words "funded or" on line 5, page 7. The motion carried without objection.

Section 8 was adopted as amended without objection.

Mr. Kean offered a motion to defer action on Section 9. Mr. Lanier distributed a minority report relative to Section 9 that he submitted to the Subcommittee on Finance after adoption of this Section. Mr. Kean later withdrew his motion to defer action.

A motion was then offered by Mr. Kean to insert the words "General obligation" after "(A)" on line 34, page 7; and change the word "Bonds" to "bonds". This motion also included deleting "which are payable wholly or in" on line 34; line 35 in its entirety; and the words "to rate or amount" on line 1, page 8. There were no objections to this motion.

Mr. Kean then amended the remainder of Paragraph A as follows: Delete the word "one" on line 2 and insert in lieu thereof the word "single"; after the word "purpose" and before the word "which," insert the words "designated by the legislature"; delete the word "taxable" on line 7; insert the word "roll" after the word "assessment" on line 8; delete the words "state and parish purposes" on line 8, and insert in lieu thereof the words "the political subdivision"; delete the words "applicable to each" on line 11, and the word "district" on line 12; and change the period after the word "property" to a comma and add "and except as to general obligation industrial development bonds, such limitation shall be twenty percent of the assessed valuation of the property." There were no objections to these amendments.

Mr. Lanier offered a motion to substitute the following language for Paragraph A of Section 9:

"For all purposes the general obligation bonds of a political subdivision, including the existing general obligation bonds of such political subdivision, shall not exceed in the aggregate ten percent of the fair-market value of the taxable property in the political subdivision as listed on the assessment rolls of the political subdivision last completed prior to the delivery of such bonds."

A roll call vote was taken on Mr. Lanier's motion.

Yea: Lanier, Shannon, Ullo
Nay: Conino, Reeves, Cannon, Chatelain, Heine, D'Gerolamo, Giarrusso, Hayes, Tommy, Zervigon

There being 11 nays and 3 yea, the motion was defeated.

A motion was offered for the adoption of Paragraph A as amended by Mr. Kean, and it carried without objection. Paragraph B was amended by deleting the words "that financing" on line 14 and inserting in lieu thereof the word "financing"; and deleting the word "operates" and inserting "operating". The word "is" was also deleted on line 15. There were no objections to the adoption of Paragraph B as amended.

Paragraph C was adopted as reported without objection.

Paragraph D was amended by deleting the words "of drainage districts on line 24, page 8, and inserting in lieu thereof "and other debt obligations"; and by deleting the words "and refunding bonds" on line 25, placing a comma after the word "taxes" on line 25, and inserting the words "sales and use taxes, excess revenues, special assessments, or other special revenues." Paragraph D was adopted as amended.

Mr. Kean amended Section 10 A as follows: delete the word "special" on line 24, page 9; delete the word "special" on line 31 and insert in lieu thereof "debt assumption"; insert the phrase "incurred or assume debt, levy the tax, or" between the words "to" and "issue" on line 34; and insert the words "and other revenues" between the words "taxes" and "necessary" on line 35.
Mr. Conino moved the adoption of Paragraph A as amended, and the motion carried without objection.

Mr. Kean amended Paragraph B as follows: insert the words "or other debt obligation" between the words "bonds" and "by" on line 4, page 10; delete the words "a newspaper published in" and insert in lieu thereof "the official journal of"; insert the words "or other debt obligations" between the words "bonds" and "authorized" on line 10, page 10; insert the words "or other debt obligations," between the words "bonds," and "and" on line 14; insert the word "thereof" between the word "provisions" and "for"; and insert the words "or other debt obligation" between the words "bonds," and "including" on line 17, and between the words "bonds" and "were" on line 18.

Mr. Chatelain offered a motion to adopt Paragraph B as amended, and the motion carried without objection.

Mr. Kean offered an amendment to insert the word "acquiring" between the words "of" and "constructing" on line 3, page 11; and the motion carried without objection.

Paragraph A of Section 11 was adopted as amended.

Mr. Kean then moved to delete the second "the" on line 6, page 11, and insert in lieu thereof the words "any such"; and to delete the words "to the" on line 9; and delete line 10 in its entirety.

Mayor Heine moved the adoption of Paragraph B as amended, and the chairman so ordered.

Mr. Kean amended Paragraph C as follows: delete the words "that has issued" on line 12, page 11, and insert in lieu thereof the word "issuing"; delete the words "has pledged" on line 13, page 11, and insert in lieu thereof the word "pledging"; delete the word "for" on line 14 and insert in lieu thereof the word "to"; and place a comma after the word "certificates" and delete the remainder of line 20, page 11.

Dr. Ullo offered a motion to adopt Paragraph C as amended by Mr. Kean, and the motion carried without objection.

Mr. Toomy then offered a motion to adopt the entire Section 11 as amended, and the motion carried unanimously.

Mr. Kean amended Section 12 as follows: delete the word "corporations" on line 5, page 12, and on line 11, page 12, and insert in lieu thereof the word "subdivisions"; and insert the words "or other debt obligation" between the words "bonds" and "for" on line 5 and between the words "bonds" and "may" on line 7.

Mr. Conino moved the adoption of Section 12 as amended, and the motion carried without objection.

Sections 3 and 6 of the Levee District Provisions were considered by the committee. Paragraph B of Section 3 was amended to read:

"Bonds issued under the authority of the foregoing provision shall be sold in accordance with applicable provisions of the Louisiana Revised Statutes relating to the issuance of bonds by levee districts."

Sections 3 was adopted as amended and Section 6 was adopted as reported by the subcommittee.

A copy of the proposal relative to ports was distributed to the members of the committee and considerable discussion ensued concerning this matter.

Mr. Reeves offered a motion to adjourn, but objection was heard and a roll call vote was taken:

Yeas: Hayes Reeves Toomy
Nays: Cannon Chatelain Conino D'Gerolamo Giarrusso Jackson Kean Lanier Shannon Ullo Zervigon Heine

There being 12 nays and 3 yeas, the motion failed.

Mr. Cannon then offered an amendment to Section 1 of this proposal to add the phrase "as set forth in this constitution except by a two-thirds vote of the legislature." at the end of the section. Objection was raised and the amendment failed by a vote of 14 nays and 1 yea from Mr. Cannon.

Mr. Kean then offered a motion to delete lines 13 through 23 up to the word "authorities" and delete the word "three" between the words "the" and "established" on line 26, page 1. Mr. Chatelain called for the question on this motion, and a roll call vote was taken:

Yeas: Cannon Giarrusso Jackson Reeves Shannon Toomy Zervigon Heine
Nays: Chatelain Conino D'Gerolamo Hayes Lanier Ullo

There being 9 yeas and 6 nays, the motion carried.

Mr. Toomy offered a motion to label Mr. Kean's previous motion as Paragraph A of Section 1 and insert Mr. Perez's proposed Section 4 as Paragraph B of Section 1. A roll call vote was taken on Mr. Toomy's motion, and it passed by a vote of 14 yeas and 1 nay from Mr. Lanier.

Mr. Kean suggested that the provisions be adopted and the order of the sections could be determined later, and the chairman so ordered.

Mr. Giarrusso offered a motion to recess until 9:00 a.m. the next morning, but objection was raised and a roll call vote was taken:

Yeas: D'Gerolamo Giarrusso Hayes Jackson
Nays: Cannon Chatelain Conino Kean
There being 9 nays and 6 yeas, the motion failed.

Mr. Keen then offered a motion to add Paragraph C and D as follows:

"C. Unless otherwise provided in this constitution, the legislature may only affect the structure and organization of the existing deep-water ports by act passed by at least a two-thirds vote of the elected membership of each house of the legislature.

D. The legislature may by law grant additional powers and functions to such established deep-water ports; provided, however, that if such grant of additional powers and functions affects the powers and functions of any other deep water port provided in this section, at least a two-thirds vote of the membership of each house of the legislature shall be required."

There were no objections to Mr. Keen's motion.

Mr. Keen then offered a motion for the adoption of Paragraphs A, B, C, and D of Section 1, and a roll call vote was taken:

Yeas: Keen Shannon Zervigon Heine
Nays: Cannon Chatelain Conino D'Gerolamo Giarrusso Hayes Jackson Lanier Reeves Ullo

There being 11 nays and 4 yeas, the motion failed.

Mr. Lanier moved to recess until 9:00 a.m. on Saturday, June 30, 1971, and the chairman so ordered.

The committee recessed at 5:30 p.m.

Saturday, June 30, 1972, 9:00 a.m.

Presiding: Chalin O. Forer, Chairman, Committee on Local and Parochial Government

Present: Chalin Perez
Absent: Ethan Chatelain
1. Jackson Parson
Joseph Conino
Johnny Jackson
Terry Reeves
R. Gordon Keen
Harvey Cannon, Jr.
Mayor Pete Heine
Joseph Giarrusso, Sr.
George Dewey Hayes
Walter Lanier, Jr.
V. C. Shannon
Joseph F. Toomy
Frank Ullo
Mary Zervigon

Mr. Toomy offered a motion to adopt the following language for the proposal relative to ports:

"All deep water port commissions and all deep water port, harbor, and terminal districts as they are now organized and constituted, including their powers and functions, structure and organization, and territorial jurisdiction, are ratified and confirmed and shall continue to exist, except that:

(A) The legislature may diminish, reduce, or withdraw from any such commission or district, including the Board of Commissioners of the Port of New Orleans, any of its powers and functions and may affect the structure, organization, distribution, and redistribution of the powers and functions of any such commission or district, including its territorial jurisdiction, only by act passed by at least a two-thirds vote of the elected membership of each house;

(B) The legislature may by law grant additional powers and functions to any such commission or district and may create new port commissions or port, harbor, and terminal districts by law provided, however, in so doing the legislature shall not restrict or diminish the powers and functions, structure and organization, or territorial jurisdiction of an established deep-water port except by at least a two-thirds vote of the elected membership of each house."

After considerable discussion, a roll call vote was taken on Mr. Toomy's motion. The motion carried with 10 yeas and 2 nays from Mr. Giarrusso and Mrs. Zervigon.

Mr. Cannon offered a definition of deep-water ports to read as follows:

"Deep waters as used regarding port commissions and port, harbor and terminal districts, means those ports which are capable of accommodating vessels of at least twenty-five feet of draft and engaged in foreign commerce."

There were no objections to the adoption of this definition.

Mr. Toomy then offered a motion to adopt the following language as Section 2 of this proposal:

"No channels, locks, wharves, docks, or other permanent structures shall be sponsored, constructed, caused to be constructed, or permitted by a deep water port commission or by a deep-water port, harbor and terminal district until and unless the governing authority of such parish in which the works are proposed, by ordinance, approved such action or proposed works."

However, Mr. Hayes offered a substitute motion to delay action on Mr. Toomy's motion, and a roll call vote was taken:

Yeas: Conino Cannon Hayes Zervigon Heine Giarrusso Lanier Toomy Ullo
Nays: Burson Jackson Reeves

There being 8 nays and 4 yeas, the substitute motion failed.

Mr. Toomy withdrew his motion and offered another motion to adopt the following language:

"Notwithstanding the above provisions of this section, the legislature shall by law provide for the restructuring and reorganization of the Board of Commissioners of the Port of New Orleans and the readjusting of it. Thereafter the legislature may only affect the Board of Commissioners of the Port of New Orleans as provided in Paragraphs 1 and 2 of this section, except that no change in territorial jurisdiction of said port commission shall affect the territorial jurisdiction of any other existing deep water port."

Mrs. Zervigon offered a substitute motion offering the following language:

"Notwithstanding the above provisions of this section, the legislature may at its first or second regular session after the adoption of this constitution, by a majority vote of each house, change the territorial jurisdiction, method of selection, and/or
composition of the Board of Commissioners of the Port of New Orleans, except that no change in territorial limits of said port commission shall affect the territorial limits of any other existing deep-water port.

A roll call vote was taken on Mrs. Zervigon's substitute motion:

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There being a tie vote, the chairman voted "nay", and the substitute motion failed.

Mr. Toomy amended his original motion to read as follows:

"A. Notwithstanding the above provisions of this Section, the legislature shall by law provide for a change in the method of selection and composition of the Board of Commissioners of the Port of New Orleans and define its territorial jurisdiction.

B. After the exercise of authority as provided in Paragraph A above, the legislature may only affect the Board of Commissioners of the Port of New Orleans as provided in Paragraphs 1 and 2 of this Section except that no change in the territorial jurisdiction of said port commission shall affect the territorial jurisdiction of any other existing deep-water port.

C. In the event the legislature does not exercise the authority granted in Paragraph A above, within ten years after the adoption of this constitution, the composition and territorial jurisdiction of said port shall not be changed except in compliance with Paragraphs 1 and 2 of this Section."

A roll call vote was taken on this motion:

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There being 11 yeas and 3 nays, the motion carried.

Mr. Kean stated that he did not think this provision is good constitutional law, but since it appears to be a reasonable solution, he voted yes.

Mr. Shannon then offered a motion that the committee move on to other business, but Mr. Cannon raised objection.

A roll call vote was taken on Mr. Shannon's motion:

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There being 10 yeas and 3 nays, the motion carried.

Mrs. Zervigon called for a reconsideration of Section 6 and 6.1 of the Finance Provision, and the chairman so ordered.

Section 6 authorizes occupational license taxes as follows:

"Local governmental subdivisions may impose an occupational license tax in an amount not greater than that imposed by the state. Local governmental subdivisions may impose an occupational license tax in an amount greater than that imposed by the state when so authorized by an act passed by at least a two-thirds vote of the elected membership of each house of the legislature."

There were no objections to the adoption of this section.

Discussion ensued on Section 6.1, and Mr. Lanier moved the previous question on whether or not to adopt this section. Objection was raised on the call for the previous question and a roll call vote was taken:

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There being 7 yeas and 6 nays, the order for the previous question failed.

Mr. Kean suggested an amendment to place a period after the word "legislature" on line 23, and delete the remainder of the section. Mrs. Zervigon accepted the amendment and offered a motion to adopt Section 6.1 to read as follows:

"No local governmental subdivision may levy and collect taxes upon or measured by income or earnings, except when authorized by an act passed by at least a two-thirds vote of the elected membership of each house of the legislature."

A roll call vote was taken on Mrs. Zervigon's motion:

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There being 10 yeas and 3 nays, the motion failed.

Discussion then began on the provision submitted by the Subcommittee on the Affairs of the City of New Orleans.

Mr. Reeves offered a motion to delete the provision submitted, but later withdrew his motion.

Mr. Lanier offered an amendment to change the words "Vieux Carre Commission" on line 8 to "historic preservation districts"; place a comma after the word "structures" on line 13, delete the word "and", and add the words "and districts" after the words "areas". His amendment also included inserting the words "areas and districts" after the words "preservation" on line 19; inserting the word "for" between the words "be" and "a" on line 21; and deleting lines 22, 23, 24, 25, 26, 27, 28, 29, 30, and up to the word "River" on line 31. Mrs. Zervigon accepted the amendment.

Mrs. Zervigon then offered a motion for the adoption of the proposal which reads as follows:

"Historic Preservation Districts. In order to promote the educational, cultural, economic and general welfare of the public through the preservation and protection of buildings, sites, monuments, structures, areas, and districts, of historic or architectural interest or importance, each local
governmental subdivision of the state, acting through a commission or otherwise, shall have the power and authority to establish, operate, and maintain historic preservation areas and districts by the adoption of appropriate ordinances and laws, which is hereby declared to be for a public purpose. The governing authority of each local governmental subdivision shall have the power and authority of review to affirm, reverse or modify, in whole or in part, any action or decision of such commissions."

A roll call vote was taken on Mrs. Zervigon's motion, and

there being 11 yea's and 1 nay from Mr. Burson, the motion carried.

Mr. Kean offered a motion to adopt the recommendations submitted by the Subcommittee on the Affairs of the City of New Orleans, and that they be included in the report of the full committee. With no objections the chairman so ordered. (A copy of these recommendations is attached hereto and made a part of these minutes.)

Mr. Hayes offered a definition of the term "unincorporated settlement" as follows:

"Unincorporated settlement means a defined geographic area containing 150 or more inhabitants existing entirely within a parish and not included within the territorial limits of an incorporated municipality."

Mr. Burson offered an amendment to change "150" to "5000", but Mr. Cannon raised objection and a roll call vote was taken:

Yeas: Burson
Kean
Giarrusso
Toomey
Zervigon

Nays: Comino
Jackson
Reeves
Cannon
Hayes
Lanier
Shannon

There being 7 yea's and 5 yea's, the amendment failed.

Mr. Jackson offered a motion to adopt the definition as proposed by Mr. Hayes and a roll call vote was taken.

The definition failed to pass by a vote of 9 yea's and 2 yea's from Mr. Cannon and Mr. Hayes.

Mr. Reeves distributed copies of Staff Memorandum No. 27 relative to Extraterritorial Powers of Local Government, a copy of which is attached hereto and made a part of these minutes.

The committee adjourned at 5:00 p.m.

R. Gordon Kean, Secretary

[76]
visions of Section 23 and Sections 23.1 through 23.43, inclusive, which provide for a sewerage and water system

for the city of New Orleans, be deleted and placed in the statutes.

Comment: The subcommittee's recommendation is based on its belief that the sewerage and water board is purely local in function, financing, and impact; and therefore, it should be controlled, ultimately, by the people of the city of New Orleans, acting through their local government. The subcommittee takes the position that the sewerage removal and treatment, drainage and water purification and supply functions of the city of New Orleans should be exercised as the citizens of that city see fit, subject only to such general laws as the legislature may provide.

It is the position of the subcommittee that the Sewerage and Water Board, or any successor body charged with providing the services that the board now provides, retain all powers, assets, revenues, and obligations now enjoyed by the board.

Section 24 and Section 24.2 - 24.23, Inclusive: New Orleans; Board of Liquidation of City Debt

Recommendation: The subcommittee recommends that the provisions of Section 24 and Sections 24.2 through 24.23, inclusive, which provide for a Board of Liquidation of City Debt of the city of New Orleans, be deleted and placed in the statutes as an interim measure.

Comment: The subcommittee takes the position that the board has fulfilled its historic mission, i.e., stabilizing the financial situation of New Orleans. Therefore, there is no longer a need for constitutional status. Its functions are local in nature and can be effectively provided for in the statutes. Ultimately, the subcommittee feels that the board should be placed under the exclusive jurisdiction of the city of New Orleans.

Section 25: New Orleans: Special Tax for Fire and Police Departments

Recommendation: The subcommittee recommends that this provision be deleted and that the authority to levy this millage be included in a general provision ratifying and continuing special taxes.

Comment: The subcommittee was given formal assurance by the city administration that provisions would be made to incorporate the necessary salary schedule by civil service to maintain the amount of money that would be taken away by the removal of millage provisions.

Section 25.1: New Orleans: Special Tax for General Municipal Purposes

Recommendation: The subcommittee recommends that this provision be deleted and the authority to levy this millage be included in a general provision ratifying and continuing special taxes in Baton Rouge.

Comment: The subcommittee was given formal assurance by the city administration that provisions would be made to incorporate the necessary salary schedule by civil service to maintain the amount of money that would be taken away by the removal of millage provisions.

Section 26: New Orleans; Public Belt Railroad

Recommendation: The subcommittee deferred any recommendation pending receipt of a report by a joint committee composed of the Public Belt Commission, Dock Board, city of New Orleans, and the Domed Stadium Board.

Section 27: New Orleans; Public Belt Railroad; Bonds and Notes

Recommendation: The subcommittee deferred any recommendation pending receipt of a report by a joint committee composed of the Public Belt Commission, Dock Board, city of New Orleans, and the Domed Stadium Board.

Section 28: New Orleans; Public Belt Bridge Over Mississippi; Use; Financing

Recommendation: The subcommittee deferred any recommendation pending receipt of a report by a joint committee composed of the Public Belt Commission, Dock Board, city of New Orleans, and the Domed Stadium Board.

Section 31.1: New Orleans: Bond Issue to Purchase Ferry Systems

Recommendation: The subcommittee recommends that the provision be deleted.

Comment: The bonds authorized by this provision to purchase a ferry system have been paid; therefore, this provision is obsolete.

Section 31.3: New Orleans; Railroad Passenger Stations

Recommendation: The subcommittee recommends that the section be deleted and placed in the statute. If further recommendation be made that there be specific provisions in the constitution that the city of New Orleans shall retain full ownership of the property described above.

Comment: The above recommendation reflects the subcommittee's views that the provisions of this section are not of constitutional import and should best be treated in the Revised Statutes, except that the ownership of all properties described in the above section should be expressly vested in the city of New Orleans.

Section 31.4: New Orleans; Upper Pontalba Building; Refinancing Obligations

Recommendation: The subcommittee recommends that the section be deleted.

Comment: This section deals with the issuance of bonds for ref

[77]
financing the Upper Pontalba Building. The bonds have been paid; therefore, the section is obsolete.

Section 31.7: New Orleans; Vehicular and/or Pedestrian Crossing Over or Under Inner Harbor Navigation Canal

Recommendation: The subcommittee recommends that the provision be deleted and placed in the statutes.

Comment: The subcommittee does not feel that the above section is of constitutional import and should therefore be deleted and placed in the statutes.

Section 47: Louisiana Stadium and Exposition District

Recommendation: The subcommittee recommends that the section be deleted from the constitution and placed in the statutes. It further recommends that there be a general provision in the constitution permitting such special districts to refinance their bonds.

Comment: The subcommittee does not feel that the above district is of constitutional import and should therefore, be deleted and placed in the statutes. It does, however, recommend that the bonds issued by the said district be protected through an appropriate general provision in the constitution.

ARTICLE XIX.

Section 26: New Basin Canal and Shell Road; New Orleans Union Railroad Passenger Terminal Facility

Recommendation: The subcommittee recommends that the section be deleted.

Comment: The provisions under this section including but not limited to the authority to construct, maintain, and operate a union passenger terminal facility have been complied with, therefore, the section is obsolete.

GENERAL RECOMMENDATION: The Subcommittee on the Affairs of New Orleans recommends to the Subcommittee on General Provisions that the bonds and bondholders affected by the above sections, here considered, be protected by placing a general provision in the new constitution.

NOTES

Staff Memo No. 27 is reproduced below in Chapter III.

CC-

1 Constitutional Convention of Louisiana of 1973
2 DELEGATE PROPOSAL NUMBER
3 Introduced by Delegate Perez
4 A PROPOSAL
5
6 Relative to local and parochial government finance.
7 Be it adopted by the Constitutional Convention of Louisiana of 1973:
8 Article____, Section 1. Local Governmental Subdivisions; Sales Tax Authorized
9 Section 1. (A) Local governmental subdivisions and school districts are authorized to levy and collect a tax upon the sale at retail, the use, the lease or rental, the consumption and storage for use or consumption of tangible personal property, and on sales of services, as defined by law; provided, however, that the rate thereof when combined with the rate of all other presently imposed or future sales and use taxes, exclusive of state sales and use taxes, levied and collected within any local governmental subdivision shall not exceed three percent.
10 (B) No tax authorized in paragraph (A) of this Section shall become effective until a proposition for the imposition thereof is submitted to the electors of the affected local governmental subdivision at an election held therein; provided, however, that before taking effect the proposition for the imposition of the tax shall be approved by a majority of the electors who vote in the election held for that purpose, as hereinabove provided for.
11 (C) The legislature shall have the authority by general law to exempt or exclude any goods or tangible personal property or services from any sales and use tax levied by a local governmental subdivision.

CC-

1 (D) The legislature by general or special law may authorize the imposition of additional sales and use taxes, provided that such taxes are approved by the electors of the local governmental subdivision as provided in paragraph (B) of this Section.
2 Source: New
3
4 Comment: The present authority for municipalities and parishes to levy a sales tax is statutory (R.S. 33:2711 et seq.).
Minutes of the Committee on Local and Parochial Government of the Constitutional Convention of Louisiana of 1973

Held pursuant to notice given by the Secretary of the Convention on July 11, 1973
Committee Room 9 - State Capitol
Baton Rouge, Louisiana
Thursday, July 12, 1973, 9:00 a.m.

Presiding: Chalin O. Perez, Chairman of the Committee on Local and Parochial Government

Present: Chalin O. Perez
Joseph Conino
Johnny Jackson
Terry Reeves
R. Gorden Kean
Mayor Pete Heine
Edward D'Gerolamo
H. M. Fowler
Joseph Giarrusso, Sr.
George Dewey Hayes
Walter Lanier, Jr.
V. C. Shannon
J. E. Stephenson
Dorothy Mae Taylor
Joseph F. Toomy
Dr. Frank Ulo
Mary Zervigon

Absent: I. Jackson Burson
Harvey Cannon, Jr.
Ethan Chatelain

Mr. Reeves called the meeting to order in the temporary absence of the chairman.

Mr. Kean explained that there were numerous technical changes that had to be made in the original proposal submitted to the convention.

Mr. Lanier offered a motion to rework the proposal and reintroduce a revised proposal. There were no objections to this motion.

The committee discussed and adopted numerous technical changes recommended by the staff and various committee members. A copy of the original proposal with the technical changes made by the committee is attached hereto and made a part of these minutes. It also includes additional technical changes made at the July twelfth and nineteenth committee meeting.

The committee briefly discussed the comments and made several changes but delayed a general discussion and review of comments to a future meeting. See attached for changes made.

Mr. Jimmy Hayes of the Police Jury Association was recognized and stated that the proposal was "the greatest thing that has happened to local government."

Mr. Hayes stated that a get-well card was being sent to Mr. Cannon from the members of the committee.

The committee adjourned at 12:15 p.m.

R. Gordon Kean, Secretary

NOTES
Committee report relative to Local Government is reproduced at JOURNAL 104-133, above.

Minutes of the Committee on Local and Parochial Government of the Constitutional Convention of Louisiana of 1973

Held pursuant to notice given by the Secretary of the Convention on Friday, July 13, 1973
Committee Room 3 - State Capitol
Baton Rouge, Louisiana
Wednesday, July 18, 1973, 10:00 a.m.
Thursday, July 19, 1973, 9:00 a.m.

Presiding: Chalin O. Perez, Chairman of the Committee on Local and Parochial Government

Present: Chalin O. Perez
Joseph Conino
Johnny Jackson
Terry Reeves
R. Gordon Kean
Ethan Chatelain
Mayo Pete Heine
H. M. Fowler
George Dewey Hayes
Walter Lanier, Jr.
V. C. Shannon
Joseph F. Toomy
Mary Zervigon

Absent: I. Jackson Burson
Harvey Cannon, Jr.
Edward D'Gerolamo
Joseph Giarrusso, Sr.
J. E. Stephenson
Dorothy Mae Taylor
Dr. Frank Ulo

The chairman called the meeting to order and stated that the minutes of June 28, 29, 30, 1973 were distributed.

Mr. Chatelain offered a motion for the adoption of the minutes, but Mrs. Zervigon offered a substitute motion that the approval of the minutes be delayed until the following day. The substitute motion carried without objection.

The committee reviewed the proposal as retyped with the changes previously made by the committee.
It was decided that one article would be introduced with Part I as General Provisions; Part II, Finance Provisions; Part III, Levee Districts; Part IV, Ports; and Part V, Definitions. See attached Table of Contents.

Mrs. Zervigon expressed her desire to review the comments prepared by the staff and make whatever changes were necessary. The committee decided to delay this until a future meeting.

The staff read the sections containing the recommended technical changes made by the committee at its meeting on July 12, 1973. Additional technical changes were made. (See proposal attached to July 12 minutes for all technical changes made by the committee.)

The committee adjourned at 11:45 a.m.

Thursday, July 19, 1973

Presiding: Chalin O. Perez, Chairman of the Committee on Local and Parochial Government

Present: Chalin O. Perez
I. Jackson Burson
Terry Reeves
Mayor Pete Heine
Joseph Giarrusso, Sr.
George Dewey Hayes
Walter Lanier, Jr.
V. C. Shannon
J. E. Stephenson
Dorothy Mae Taylor
Joseph F. Toomy
Mary Zervigon

Absent: Joseph Conino
Johnny Jackson
R. Gordon Kean
Harvey Cannon, Jr.
Ethan Chatelain
Edward D’Gerolamo
H. M. Fowler
Dr. Frank Uilo

The chairman called the meeting to order.

The minutes of the meetings of June 28, 29, and 30, 1973, were approved without objection.

The committee adjourned at 12:00 noon.

R. Gordon Kean, Secretary

NOTES

Table of Contents cited herein is not attached to the Minutes of this committee meeting.

MINUTES

Minutes of the Committee on Local and Parochial Government of the Constitutional Convention of Louisiana of 1973

Held pursuant to notice mailed by the Secretary

in accordance with convention rules

State Capitol, Committee Room 9

Baton Rouge, Louisiana

Thursday, August 2, 1973

Presiding: Chalin O. Perez, Chairman of the Committee on Local and Parochial Government

Present: Chalin Perez
Joseph Conino
Gordon Kean
Ethan Chatelain
Edward D’Gerolamo
H. M. Fowler
George Dewey Hayes
Walter Lanier
V. C. Shannon
Joseph F. Toomy
Frank Uilo
Mary Zervigon

Absent: I. Jackson Burson
Joseph Giarrusso, Sr.
Mayor Pete Heine
Johnny Jackson
Terry Reeves
Dorothy Mae Taylor

The chairman called the meeting to order and the secretary called the roll. A quorum being established, the meeting proceeded.

It was decided that Delegate Proposal No. 1 introduced by Dr. Asseff, relative to pay increases for state policemen would be reported without action with recommendation that it be re-committed to the Committee on Education and Welfare.

The chairman introduced Mr. Louis B. Porterie, who is the attorney for the Mississippi River Bridge Authority. Mr. Porterie stated that the bridge authority would like to preserve the right to be able to finance a new bridge in New Orleans when the location problem is resolved.

Mr. Porterie suggested an amendment in Committee Proposal No. 17 to insert the word “discretionary” between the words “following” and “powers” on line 26, page 9, of the printed proposal. Mr. Lanier offered a motion to adopt Mr. Porterie’s suggestion, and the motion carried without objection.

He also submitted proposed language for amending Article IV, Section 12, of the present constitution relative to the loan or pledge of public funds. A copy is attached hereto and made a part of these minutes as Appendix A. Considerable discussion.
ensued on the suggested language submitted by Mr. Porterie, and the staff was directed to draft several proposals relative to Article IV, Section 12, using the views expressed by several members of the committee.

The staff was also directed to make a comparative study on how the other states have handled this problem. (Article IV, Section 12).

Mr. L. G. Morgan, representing the AFL-CIO, was introduced and asked Mr. Porterie if there was anything in his proposal which might take away from the people the right to vote on any bond issues. Mr. Porterie explained that there was not.

Mrs. Zervigon offered the motion that the comments prepared by the staff not be distributed to the delegates of the convention until such time that the committee can revise and approve them. There were no objections to this motion.

Mr. Lanier offered a motion that the chairman appoint a subcommittee to make recommendations to the committee with respect to all remaining provisions of the constitution under the jurisdiction of the Committee on Local and Parochial Government that were not dealt with in Committee Proposal No. 17. There were no objections to this motion. The chairman then appointed Mr. Lanier, chairman of the subcommittee, and Mrs. Zervigon, Mr. Conino, Mr. Kean, and Mr. Chatelain volunteered to be assigned to the subcommittee.

A motion was offered by Mr. Kean that if possible, the committee would meet at 10:00 a.m. on Friday.

There being no further business, the chairman adjourned the meeting.

Chalin O. Perez, Chairman

R. Gordon Kean, Secretary

APPENDIX A

DUKE & PORTERIE
ATTORNEYS AT LAW
AMERICAN BANK BUILDING
NEW ORLEANS, LA 70130
August 1, 1973

Mr. John Cox
Attorney at Law
National Bank of Commerce Bldg.
New Orleans, La.

Mr. Fred C. Beston, Sr.
Attorney at Law
601 St. Ferdinand St.
Baton Rouge, La.

Gentlemen:
A refined copy of the Cox proposal is contained.
We hope it is clearer.

Sincerely yours,

DUKE & PORTERIE

Enc.

cc: Mr. Chalin O. Perez, Chairman
Committee on Local and Parochial Government
Mr. Tom Short, Acting Director
Members of The Mississippi River Bridge Authority

The suggested Amendment of Article IV, Section 12, would read as follows:

The funds, credit, property or things of value of the State or of any political corporation thereof, shall not be loaned, pledged or granted to or for any person or persons, associations or corporations, public or private, except for public purposes as authorized in legislation passed by the Legislature by a two-thirds vote of the total number of the members of both houses of the Legislature.

Funds, credit, property or things of value of the State or of any political subdivision or political corporation thereof hereinafter loaned, pledged, dedicated or granted by the prior laws of this State, or authorized to be loaned, pledged, dedicated or granted by the prior laws and Constitution of this State, shall so remain for the full term as provided by the prior laws and Constitution and for the full term as provided by any contract, unless such authorization is revoked by the Legislature by a two-thirds vote of the total number of the members of both houses of the Legislature prior to the vesting of any contractual rights pursuant to this section.

MINUTES

Minutes of the Committee on Local and Parochial Government of the Constitutional Convention of Louisiana of 1973

Held pursuant to notice given by the Secretary in accordance with convention rules
Committee Room 9, State Capitol
Baton Rouge, Louisiana
Thursday, August 16, 1973

Present: Chalin O. Perez, Chairman of the Committee on Local and Parochial Government
Present: Chalin O. Perez
Joseph Conino
Edward D’Gerolamo
H. M. Fowler
George Dewey Hayes

Absent: Harvey Cannon, Jr.
Ethan Chatelain
Joseph Giarrusso, Sr.
Johnny Jackson
R. Gordon Kean
Chairman Perez called the meeting to order at 5:30 and the roll was called. A quorum being established, the meeting proceeded.

Mr. Perez reminded the committee members that the committee was assigned primary responsibility for the present sections in the constitution on Tax Assessors (Article XIV, §§9, 20) and Revenue Sharing Fund (Article X, §108) but has not drafted a provision on either section. The staff handed out a draft in the form of a committee proposal for each section similar to the present section. The proposals are attached hereeto and made a part of these minutes as Appendix A and Appendix B. Mr. Perez requested the committee members to study these proposals for further action at the next committee meeting.

Mr. Perez pointed out that Section 15, on Recall, of the committee proposal was covered in the legislative article adopted by the convention. Mr. Burson moved to delete Section 15 from the proposal and renumber all succeeding sections. Without objection, the motion carried.

Mr. Perez pointed out that due to the provision on compensation of public officials in the executive department article adopted by the convention, the committee might want to add a provision for compensation of local officials. The executive department provision reads:

"Section 4. Compensation
Section 4. Except as otherwise provided in this constitution, the compensation of each elected official shall be fixed by the legislature."

Mr. Perez instructed the staff to prepare an amendment to the committee proposal to make it clear that salaries of local officials presently being fixed by local governing authorities either under a home rule charter or legislative authority shall remain being fixed by the local governing authority. He suggested the following language:

"All charter or home rule forms of government shall have the right to fix the salaries of their public officials."

Mr. Lanier asked the staff to prepare a report explaining the approach taken by the committee in drafting the committee proposal. He explained that it might be a good idea to distribute this report to all of the delegates for the purpose of laying a foundation for the committee proposal before it is brought up for debate in the convention.

The committee discussed and adopted numerous technical amendments recommended by various committee members. A copy of the amendments is attached hereeto and made a part of these minutes as Appendix C.

The committee decided to meet again on Wednesday, August 22, 1973, immediately after adjournment of the convention.

The meeting was adjourned at 7:15 p.m.

[Signature]
R. Gordon Kean, Secretary

APPENDIX A

1 Constitutional Convention of Louisiana of 1973
2 COMMITTEE PROPOSAL NUMBER
3 Introduced by Delegate Perez, Chairman, on behalf of the
4 Committee on Local and Parochial Government, and Dele-
5 gates Burson, Cannon, Chatelain, Conino, D’Cerolamo,
6 Fowler, Giarrusso, Hayes, Heine, J. Jackson, Kean,
7 Lanier, Reeves, Shannon, Stephenson, Taylor, Toomy,
8 Ullo, and Zervigon
9
10 A PROPOSAL
11
12 Providing for the office of tax assessor.
13 Be it adopted by the Constitutional Convention of Louisiana
14 of 1973:
15
16 Article____, Section 1. Tax Assessor
17
18 Section 1. There shall be a tax assessor elected by the
19 electors of each parish in the state, the parish of Orleans
20 excepted. His term of office shall be four years and the
21 legislature shall define his duties, fix his compensation,
22 and provide for his election.
23
24 Section 2. Board of Assessors for Orleans Parish
25
26 Section 2. There shall be seven assessors in the city
27 of New Orleans, who together shall compose the Board of
28 Assessors for the Parish of Orleans. One shall be elected
29 from each municipal district of the city of New Orleans, and
30 they shall be residents of the districts from which they are
31 elected. Their terms shall be four years and they shall be
32 elected at the same time as the municipal officers of the
33 city of New Orleans.

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APPENDIX C

ADOPTED AUGUST 16, 1973

COMMITTEE AMENDMENT

Amendment 5, proposed by Delegate Perez, et al., to Committee on Local and Parochial Government No. 17

As printed in Revisor's Edition.

AMENDMENT NO.

On page 3, line 18, after the word "and" and before the word "functions" insert the words "performance of such"

AMENDMENT NO.

On page 3, line 30, after the word "charter" and before the comma "," insert the words "or alternate charter"

AMENDMENT NO.

On page 4, line 4, after the word "electors" and before the word "who" insert a comma ","

AMENDMENT NO.

On page 5, line 10, after the word "and" and before the word "functions" insert the words "performance of such"

AMENDMENT NO.

On page 6, line 25, after the semicolon ";" and before "(3)" insert the word "or"

AMENDMENT NO.

On page 8, delete lines 31 through 32, both inclusive, in their entirety and on page 9, delete lines 1 through 5, both inclusive, in their entirety

AMENDMENT NO.

On page 9, line 26, after the word "following" and before the word "powers" insert the word "discretionary"

AMENDMENT NO.

On page 10, line 2, after the words "powers and" and before the word "functions" insert the word "perform all of its"

AMENDMENT NO.

On page 14, line 25, after the word "State" and before the word "and" insert the punctuation and words ", School Districts,"

AMENDMENT NO.

On page 14, line 27, immediately after the word "State" insert a comma ",", and delete the word "or" and delete line 28 in its entirety and insert in lieu thereof the following:

"school districts, or against any political subdivision in any"

AMENDMENT NO.

On page 21, line 1, after the word "published" and before the word "once" insert the words "at least"

AMENDMENT NO.

On page 25, line 20, after the words "passed by" delete the remainder of the line and insert in lieu thereof the words:

"a favorable vote of at least two-thirds of"

AMENDMENT NO.

On page 25, line 28, after the words "deep-water port" delete the remainder of the line and insert in lieu thereof the following:

"commission or deep-water port, harbor, and terminal district except by a favorable vote of at least two-thirds of the"

AMENDMENT NO.

On page 26, line 9, after the word "port" delete the period "." and add the following:

"commission or deep-water port, harbor, and terminal district"

AMENDMENT NO.

On page 26, line 12, after the word "composition" and before the word "and" insert the words "of said board"

AMENDMENT NO.

On page 26, line 13, after the word "said" and before the word "shall" delete the word "board" and insert in lieu thereof the word "port"

AMENDMENT NO.

On page 27, line 19, after the words "commissions and" and before the word "port" insert the word "deep-water"

MINUTES

Minutes of the Committee on Local and Parochial Government of the Constitutional Convention of Louisiana of 1973

Held pursuant to notice given by the Secretary in accordance with convention rules
Committee Room 9, State Capitol
Baton Rouge, Louisiana
Wednesday, August 22, 1973

Presiding: Chalin O. Perez, Chairman of the Committee on
Local and Parochial Government

Present: Chalin O. Perez
Joseph Conino
1. Jackson Burson
Ethan Chatelain
Edward D'Gerolamo
H. K. Fowler
Mayor Pete Heine
Johnny Jackson
R. Gordon Kean
V. C. Shannon
J. E. Stephenson
Joseph F. Toomy
Dr. Frank Ulo
Mary Zervigon
George Dewey Hayes
Walter Lanier, Jr.
Terry Reeves

Absent: Harvey Cannon, Jr.
Joseph Ciarrusso, Jr.
Louis Berry

Chairman Perez called the meeting to order at 5:30 p.m. and
the roll was called. A quorum being established, the meeting
proceeded.

Mr. Perez asked if there were any witnesses who wanted to appear
before the committee. Mr. Charles J. Pasqua, executive director of
the Louisiana Municipal Association, presented a statement on behalf
of the association. The report stated the general opinion of the
association in regard to the committee proposal. The report is
attached hereto and made a part of these minutes as Appendix A.

Mr. Clayton Staring, sales tax director for the Concordia
Parish School Board and member of the Louisiana Association of Tax
Administrators, spoke to the committee on Section 34 of the pro-
posal, authorizing the imposition of sales tax by local government
subdivisions. Mr. Staring stated that the association was opposed to
the new section drafted by the committee. He stated that he
felt the authority for sales tax should remain statutory.

Mr. Lanier read a letter from Mr. Thaddeus Marcell who is also
with the Louisiana Association of Tax Administrators. The letter
is attached hereto and made a part of these minutes as Appendix B.
His letter also dealt with Section 34 on sales tax. Mr. Lanier
requested that copies of Mr. Marcell's letter be distributed to the
committee members. Mr. Lanier called the committee's attention to
the two points that the association was trying to make: (1) all
governmental subdivisions within a parish together are limited to a
total of a three percent sales tax, and this could cause a serious
impairment on the ability to raise funds in the future; and (2) if the legislature is given authority to exempt goods from local
sales tax, this might result in reducing the base upon which a
subdivision has bonded its sales tax revenues and impair future
bonding of sales tax revenues. Mr. Lanier requested that the staff
do research to determine: (1) if the three percent limit affects any
presently authorized sales tax; (2) what limitation will this put on
future expansion; and (3) if the requirement of the co-extent tax
exemption would have a retroactive effect on any bonded indebtedness
funded by sales tax revenues. The staff was so directed by the
chairman.

Mr. Kean requested that the chairman again invite all the
deleagues to the convention to offer any amendments they might have
to a section in the committee's proposal. It was pointed out
that Delegate Conroy had some amendments to present and the staff
was requested to send a special invitation to Mr. Conroy to
present his amendments to the committee.

Mr. Perez pointed out to the committee that there is a conflict
between this committee's proposal and the Judiciary committee pro-
posal with respect to the filling of vacancies of certain parish
officials. Mr. Perez had requested the staff to prepare a floor
amendment to the Judiciary proposal which would substitute the
committee's section on filling these vacancies. Mr. Perez offered
to present the amendment to the convention on behalf of the committee.

After some discussion, Mr. Reeves moved that Mr. Perez's name be the
only one to appear on the amendment. Mr. Kean offered a substitute
motion to authorize the chairman, on behalf of those members who vote
in favor of introducing the amendment, to present the amendment to the
convention. The amendment would be presented as a delegate amendment
with the names of those voting for Mr. Kean's motion appearing on the
amendment. Mr. Kean's motion was adopted by a vote of fourteen to
three.

FOR
Burson
Chatelain
Conino
D'Gerolamo
Fowler
Heine
Jackson
Kean
Shannon
Stephenson
Toomy
Ulo
Zervigon
Perez

AGAINST
Hayes
Lanier
Reeves

The amendment is attached hereto and made a part of these minutes
as Appendix C.

Mr. Perez read a letter from Dr. Emmett Assiff asking the
committee to reconsider Section 14(B) relative to the filling of
vacancies. A copy of the letter is attached hereto and made a part
of these minutes as Appendix D. Dr. Assiff stated that such provisio-
would cause a hardship on the poorer parishes as the cost of a
special election would have to be paid by the local unit affected.
He suggested retaining Section 14(B) as drafted by the committee but
adding thereto "if there is to be an election covering the district
in which the vacancy exists within one year from the date the
vacancy occurs, it is to be filled at the election instead of the
special election." After a short discussion, Mr. Perez requested
the staff to prepare an amendment in line with Dr. Assiff's suggesti-
so that the committee could consider it at the next meeting.

Mr. Perez read a resolution he had received from the St.
Charles Parish Police Jury. The resolution stated that the police
jury supported the committee proposal and complimented the committee
on the job they had done. Mr. Burson told the committee of similar

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resolutions that he had received from the St. Landry Parish Police Jury, Acadia Parish Police Jury, and the city of Iota. Mr. Burson requested that all such communications be given to the staff.

The committee next looked over an amendment which the staff had been directed to draft, dealing with the compensation of local officials. This amendment was necessitated by the provision in the Executive Department Article authorizing the legislature to fix the compensation of each elected public official. After a brief discussion, the committee decided that the amendment did not state what the committee felt was needed. Mr. Perez requested that the staff redraft the amendment and make it more specific by stating that the salaries of local elected officials of home rule charter forms of government shall be fixed in the charter. Mr. Toomy requested that the staff try to word this provision into Section 9 dealing with the powers of local governmental subdivisions. Mrs. Servigon requested that the staff prepare a list of how the salaries of these officials are set now. The staff was so directed.

Mr. Perez adjourned the meeting at 7:15 p.m.

APPENDIX A

Statement of
Charles J. Pasqua
Executive Director
on behalf of the
LOUISIANA MUNICIPAL ASSOCIATION

Constitutional Revision and Local Governments
for the
Committee on Local and Parochial Affairs
Louisiana Constitutional Convention, 1973
August 22, 1973

Mr. Chairman and Distinguished Members of this Committee:

I am Charles Pasqua, former mayor of Gonzales and now executive director of the Louisiana Municipal Association.

The Louisiana Municipal Association has kept local officials in this state abreast of the tremendous progress you delegates have made in shaping the new Constitution. Consequently, we have developed some general opinions concerning the impact of Article VI as proposed by this Committee.

We are reviewing Article VI which has been submitted by you as Committee Proposal No. 17. I am convinced that the entire Committee successfully addressed itself to the problems of local governments in this state by putting together a fine plan of progressive and broadminded legislation. Subjects such as home rule, local taxation, and local financial problems in general have all received your careful attention during the past months and the discussions. The place in this Committee is one that I think will enable local officials in both parishes and cities to better govern their local affairs.

Local officials in this state have long cried for genuine home rule, the tools to better govern local affairs, and I think that Committee Proposal No. 17 answers those cries for help.

When LMA first testified before this Committee back on March 10, 1973, it was indicated that we were concerned with the stricter state-mandated tax limitations in our present constitution, which held municipalities to the collection of seven mills. Under the Committee's proposal, the local citizenry would be able to increase millage rates above seven mills through the election process. Another section also gives the local citizenry the authority to increase local sales tax revenues to a maximum of three percent.

Removing these tax limitations does not mean that municipalities will immediately raise local taxes when the proposed constitution is approved, instead it means that municipalities will have the necessary tools with the approval of the electorate. The section also allows the legislature to assist in solving problems that might occur in future years. Instead of keeping the bulk of the tax burden on the homeowner, the cost of government can now be spread out over different taxing sources such as, in the case of occupational license taxes, whose expansion was placed in the hands of the legislature by this Committee.

In addition to broadening local taxing authority this Committee also addressed another point that is of utmost importance to the local official. If you will recall, in Section 8 of the proposed Article VI this Committee adequately outlined how the method for any local governmental subdivisions to adopt a home rule charters and the necessary powers that would accompany such a charter. Giving the concept of home rule constitutional standing may genuinely sanctions the importance of such a concept and builds a strong foundation on which to develop this necessary style of government.

Section 25 of Article VI as proposed by this Committee also sanctions the concept of home rule by allowing local governing authorities to solely determine the expenditure of funds appropriated by the legislature if the expenditure of such funds is not specified when the appropriation is made. The passage of this section by the Committee obviously recognizes the ability of local governing officials to best spend local funds because they are in the best position to understand local problems.

In considering this Committee's action on the final need identified by LMA back in March, it appears that the Committee did, indeed, pass a provision to prohibit the legislature from requiring an increase in local expenditures for the salaries and fringe benefits of municipal employees without providing them with the additional revenues to meet such obligations. However, the exception granted to firemen and policemen in that same Section 16, in my opinion, contradicts the entire intent behind having that section in the first place.

The dangers of this special exclusion for firemen and policemen are threefold: first, it gives them special treatment and fails to recognize the needs of the other municipal employees; second, it places a special group of employees in the state constitution, giving them special constitutional privileges; when this privilege is not extended to other employees; and, third, it not only weakens the excellent home rule provisions in the remainder of the Committee's proposal which were adopted in the spirit of creating genuine home rule, it also threatens home rule charters already in existence when dealing with municipal employees. Such as in the case of Passaic Parish, the Borough of Baton Rouge and Jefferson Parish.

When LMA first testified before you in behalf of the state's municipalities and requested that you prevent the legislature from passing local pay increases without providing the necessary revenues, the purpose of such a request was based on past experiences. When special groups of employees were able to obtain local pay increases, in the past from the legislature it placed municipalities in financial chaos as a result of such legislation. If these same groups of employees are granted special treatment in Section 16, it would seem that the problem has not really been solved, especially if you consider the fact that firemen and policemen are the only municipal employees that have ever gotten pay increases directly from the legislature. In addition, jurisdiction rendered on this issue pertaining to home rule charters may no longer be valid if this exception passes.

[85]
In looking at the entire Committee Proposal No. 17, local officials in this state should be pleased with the final document submitted by this Committee. We feel that you have effectively dealt with many of the problems facing local officials.

That one exception which was granted to firemen and policemen does pose a serious problem, and we will strive to spend that section as seriously as possible, and to provide the necessary funding for the local governments.

We appreciate your support for the other provisions that this Committee drafted during the past several months, that make up what we feel is, generally, an excellent Local and Parishal Committee Report.

Our hats are off to you, and the municipal officials of this state sincere thank you for your fine efforts.

Respectfully,
Charles J. F Pangja
Executive Director

---

**APPENDIX C**

**ST. MARY PARISH SALES AND USE TAX DEPT.**

憾
c: Morgan City, LA. 70380

Franklin
240 124

August 14, 1973

Mr. Walter Lanier
P.O. Box 240
Thibodaux, Louisiana 70301

Dear Mr. Lanier:

In reference to our telephone conversation of August 10, 1973 I will attempt to explain the Louisiana Association of Tax Administrators' position regarding Section 35(A) and (C) of the proposal on Local and Parishal Government.

Section 35(A) authorizes local governmental subdivisions and school districts to levy and collect a sales tax provided that the rate when combined with all other presently imposed or future sales taxes within a local governmental subdivision does not exceed 3%. Since the Legislature has already granted authority to levy sales taxes to certain police justices, school boards, municipalities and other governmental subdivisions, the combined rates of these subdivisions within a local governmental subdivision would exceed 3% should all receive voter approval. Therefore, there appears to be a conflict and some doubt in my mind if this would be constitutional.

Also, with the recent disclosure of additional sales taxes as a source of revenue, it is highly likely that political subdivisions may have to rely more on additional sales taxes as a source of revenue. Should a limitation be placed on them and additional sources of revenue are needed, their only recourse would be through a constitutional amendment. Our association feels that the ideal situation would be for the new constitution to give local governmental subdivisions the right to levy sales taxes and not impose any limitations.

Section 35(C) gives the Legislature the authority to exempt or exclude any goods or tangible personal services from any sales tax, levied by local governmental subdivisions, provided, however, such exemptions or exclusions shall also apply to State sales and use taxes. I wish to point out that a large percentage of governmental subdivisions bond their sales tax revenues. Since bond contracts prohibit anything that reduces the basis upon which the bonds are issued, there seems to again be a conflict. This section could be bad for bonds outstanding and make future bond sales from sales tax revenues virtually impossible. Again, a policy of not restricting sales taxes in the constitution would seem best.

I sincerely hope that I have explained our position to your satisfaction and that you and your committee will consider our viewpoints. Our organization stands ready to assist or be called upon by your committee at their convenience. With best regards, I remain

Sincerely,

Thaddeus Marcell
Louisiana Association of Tax Administrators

TPs:

cc:

Jess C. Casley, President
P.O. Box 597
Minden, Louisiana 71055

---

**APPENDIX D**

Amendment proposed by Delegate ________________________ to Committee ________________________________

Proposal No. __ by Delegate ________________________________ (Proposal or Resolution)

Amend reprinted as engrossed Proposal as follows: (Proposal or Resolution)

**AMENDMENT NO. 1**

On page 12, delete lines 24 through 32, both inclusive, in their entirety, and on page 13, delete line 1 in its entirety and insert in lieu thereof the following:

"Section 33. (A) When a vacancy occurs in the office of district attorney, the duties of the office, until it is filled by election as provided by law, shall be assumed by the first assistant. If there is no such person to assume the duties at the time of vacancy, the governing authority or authorities of the parish or parishes concerned shall appoint a qualified person to assume the duties of the office until filled by election.

(B) Vacancies occurring in the office of sheriff, clerk of a district court, or coroner shall be filled by appointment by the governing authority of the parish until it is filled by election as provided by law."

---

**APPENDIX E**

On page 12, delete lines 24 through 32, both inclusive, in their entirety, and on page 13, delete line 1 in its entirety and insert in lieu thereof:

"Section 33. (A) When a vacancy occurs in the office of district attorney, the duties of the office, until it is filled by election as provided by law, shall be assumed by the first assistant. If there is no such person to assume the duties at the time of vacancy, the governing authority or authorities of the parish or parishes concerned shall appoint a qualified person to assume the duties of the office until filled by election.

B) Vacancies occurring in the office of sheriff, clerk of a district court, or coroner shall be filled by appointment by the governing authority of the parish until it is filled by election as provided by law."

---

Amendment proposed by Delegate ________________________ to Committee ________________________________

Proposal No. __ by Delegate ________________________________ (Proposal or Resolution)

Amend reprinted as engrossed Proposal as follows: (Proposal or Resolution)

"Section 33. (A) When a vacancy occurs in the office of district attorney, the duties of the office, until it is filled by election as provided by law, shall be assumed by the first assistant. If there is no such person to assume the duties at the time of vacancy, the governing authority or authorities of the parish or parishes concerned shall appoint a qualified person to assume the duties of the office until filled by election.

(B) Vacancies occurring in the office of sheriff, clerk of a district court, or coroner shall be filled by appointment by the governing authority of the parish until it is filled by election as provided by law."

---

Mr. Walter Lanier
P.O. Box 240
Thibodaux, Louisiana 70301

Dear Mr. Lanier:

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Section 35(A) authorizes local governmental subdivisions and school districts to levy and collect a sales tax provided that the rate when combined with all other presently imposed or future sales taxes within a local governmental subdivision does not exceed 3%. Since the Legislature has already granted authority to levy sales taxes to certain police justices, school boards, municipalities and other governmental subdivisions, the combined rates of these subdivisions within a local governmental subdivision would exceed 3% should all receive voter approval. Therefore, there appears to be a conflict and some doubt in my mind if this would be constitutional.

Also, with the recent disclosure of additional sales taxes as a source of revenue, it is highly likely that political subdivisions may have to rely more on additional sales taxes as a source of revenue. Should a limitation be placed on them and additional sources of revenue are needed, their only recourse would be through a constitutional amendment. Our association feels that the ideal situation would be for the new constitution to give local governmental subdivisions the right to levy sales taxes and not impose any limitations.

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I sincerely hope that I have explained our position to your satisfaction and that you and your committee will consider our viewpoints. Our organization stands ready to assist or be called upon by your committee at their convenience. With best regards, I remain

Sincerely,

Thaddeus Marcell
Louisiana Association of Tax Administrators

TPs:

cc:

Jess C. Casley, President
P.O. Box 597
Minden, Louisiana 71055
Minutes of the Committee on Local and Parochial
Government of the Constitutional Convention of
Louisiana of 1973

Held pursuant to notice given by the Secretary
in accordance with convention rules
Committee Room 9, State Capitol
Baton Rouge, Louisiana
Wednesday, August 29, 1973

Present: Chalin O. Perez, Chairman of the Committee on
Local and Parochial Government

Absent: I. Jackson Burson
Ethan Chatelain
Joseph Conino
Louis D'Gerolamo
Joseph F. Toomy
Dr. Frank Ullo
Mayor Pete Heine

Chairman Perez called the meeting to order at 5:30 and the
roll was called. A quorum being established, the meeting pro-
cceeded.

Mr. Lanier moved to adopt the minutes of the meetings of
July 12, July 18 and 19, August 2 and August 16, 1973. The motion
carried without objection.

Mr. Perez read a proposal prepared by the staff relative to
the Revenue Sharing Fund similar to the present constitutional
provision. Mr. Perez told the committee that the section of the
present constitution on Revenue Sharing Fund was assigned to
the committee and he felt the committee should introduce some-
thing on the subject. Mr. D'Gerolamo moved that the committee
adopt the proposal and introduce it as a committee proposal.
There were no objections to the motion. A copy of the proposal
is attached hereto and made a part of these minutes as Appendix
A.

Mr. Perez read a proposal prepared by the staff relative to
tax assessors similar to the present constitutional provision.
He informed the committee that the Committee on Revenue, Finance
and Taxation had a proposal which said virtually the same thing.
Mrs. Zervigon pointed out that under Rule No. 49 this section was
specifically assigned to the Committee on Revenue, Finance and
Taxation, and that the Coordinating Committee had subsequently
assigned it to this committee. After some discussion, Mrs. Zervigon
moved that the committee not submit this proposal to the floor and
that the committee inform the Coordinating Committee why it was
not taking any action on the section. Mr. Hayes offered a sub-
stitute motion to introduce the proposal on tax assessors as a
committee proposal. The substitute motion carried on a vote of
eleven to one.

A copy of the proposal is attached hereto and made a part of these
minutes as Appendix B.

The staff was instructed to prepare a letter to the members of
the Committee on Revenue, Finance and Taxation setting forth the
facts that the Rules provide that the Committee on Revenue, Finance
and Taxation should handle the section on tax assessors but that
the Coordinating Committee assigned the section to the Local
Government Committee.

The committee next considered a proposal prepared by the staff on
Article IV, Section 12 of the present constitution, dealing with
the loan or pledge of public funds. Several technical changes were
made in the draft prepared by the staff. Mrs. Zervigon moved to
adopt the proposal with these changes. There were no objections to
the motion. Mr. Perez suggested submitting this as a separate pro-
posal so that it could be referred back to the committee. There
were no objections to this. A copy of the proposal as adopted is
attached hereto and made a part of these minutes as Appendix C.

An amendment to Committee Proposal No. 17 to include a section on
the compensation of local officials was handed out to the members
for their review. This amendment had been drafted by the staff
to reflect ideas expressed by the committee at its meeting on
August 22. The committee discussed the amendment but delayed action
on adopting it until a later meeting.

Mr. Chatelain raised the question as to how the committee would
handle the proposal on the floor of the convention. Mr. Perez
suggested dividing the work load among the members on the basis of
knowledge or interest in a particular section. The committee was
in agreement with this suggestion. Mr. Perez asked that any member
who wanted to handle a specific section notify him.

Mrs. Zervigon moved to adjourn. There being no objections,
the meeting was adjourned.

Chalin O. Perez, Chairman

R. Gordon Kean, Secretary
### MINUTES

Minutes of the Committee on Local and Parochial Government of the Constitutional Convention of Louisiana of 1973

Held pursuant to notice given by the Secretary in accordance with Convention rules

Committee Room 4 - State Capitol
Baton Rouge, Louisiana
Friday, September 7, 1973

Presiding: Chalin O. Perez, Chairman of the Committee on Local and Parochial Government

Present:
- Chalin O. Perez
- Joseph Conino
- Terry Reeves
- R. Gordon Kean
- George Dewey Hayes
- Walter Lanier, Jr.
- Joseph F. Toomy
- Mary Servigon
- Harvey Cannon, Jr.
- Edward D’Gerolamo
- J. E. Stephenson
- Dr. Frank Ullo

Absent:
- Ethan Chatelan
- Mayor Pete Heine
- V. C. Shannon
- I. Jackson Barson
- Johnny Jackson
- Joseph Giarrusso, Sr.
- Dean Louis Berry

The chairman called the meeting to order and roll was called. There being a quorum established, the meeting proceeded.

Mr. Perez explained that the meeting was called for the purpose of reporting out the committee proposal.

The committee first took up an amendment to Paragraph (A) of Section 40 dealing with debt limitations on general obligation bonds. The amendment was presented by Mr. Kean who explained that it was designed to include property exempt as homesteads in the tax base for debt limitation purposes. After some discussion, Mrs. Servigon moved to delete subparagraph (i) of the amendment which was designed to take care of the situation in New Orleans. Her motion was adopted without objection. Without objection, the committee adopted the amendment as amended. The amendment is attached hereto and made a part of these minutes as Appendix A.

The committee next took up twenty amendments prepared by the staff at the request of the committee. The amendments are attached hereto and made a part of these minutes as Appendix B.

The action of the committee on each proposed amendment is as follows:

<table>
<thead>
<tr>
<th>Amendment No.</th>
<th>Action</th>
<th>FOR</th>
<th>AGAINST</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Adopted without objection</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>First Alternative adopted on a vote of seven for and two against:</td>
<td>Conino, Hayes</td>
<td>Cannon, Toomy</td>
</tr>
<tr>
<td>3</td>
<td>Second Alternative rejected</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Adopted without objection</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Amendment No. 5: After word "coroner" and before word "assessee" changed word "and" to "or." Adopted without objection

Amendment No. 6: After word "coroner" changed word "and" to "or." Adopted without objection

Amendment No. 7: After word "excess" and before word "that" change word "to" to "of." Adopted without objection

Several committee members expressed a concern about political subdivisions and deep-water ports issuing bonds under Section 24 without approval of the State Bond Commission. Mr. Cannon offered an amendment on page 11, line 10, after the word "bonds" and before the word "and" to insert the following: "subject to the approval of the State Bond Commission or any successor thereto;" The amendment was adopted without objection.

Mr. Zervigon offered an amendment to delete the word and number "and 8" after the number "7" on page 17, line 1. The amendment was adopted without objection.

Mrs. Zervigon next offered an amendment to delete the words "in Article ____, Section ____" on line 12 of page 18. The motion carried without objection.

The committee next looked at an amendment which the staff had prepared to provide for the filling of vacancies in the office of assessor. Mr. D’Gerolamo moved to add this to the committee proposal on Tax Assessors. There were no objections to the motion.

Mr. Cannon offered an amendment to delete Paragraph (F) of Section 14 (page 8, lines 21 through 23) on vacancies, and to change Paragraph (G) to Paragraph (F). There was no objection to this amendment.

Mr. Perez expressed concern about the voting requirements for a local government subdivision to merge or consolidate a local public agency under Section 18. He offered an amendment to add a sentence at the end of line 29 on page 10 to read as follows: "No such action involving a local public agency shall take effect unless a majority of the electors voting thereon in the local governmental subdivision in which the local public agency is located vote in favor thereof in an election held for that purpose.

The committee next discussed Section 17 relative to the governing authorities of local governmental subdivisions and control over agencies they create and particularly the authority of such agencies to levy taxes and issue debt. After a lengthy discussion Mrs. Servigon offered an amendment to change the period ":" after the word "subdivision" on page 10, line 8, to a comma "," and to add the following: "and the requirements of
this constitution and applicable laws relative to the levying of
taxes and issuance of bonds are complied with. The amendment was
adopted without objection.

Mr. Reeves offered a motion to report Committee Proposal
No. 17 "with amendments". In addition to the amendments adopted
at this meeting the committee had adopted amendments mainly technical,
at its August 16 meeting. Mr. Lanier pointed out that there was
no longer a quorum present since only ten members were present. Mr.
Perez ruled Mr. Lanier out of order stating that a quorum was
present at the beginning of the meeting and that was all that was
required under the rules. He called for the vote on Mr. Reeves' motion. On a vote of ten for and none against the motion carried:

FOR
Cannon
Conino
D’Gerolamo
Lanier
Perez
Reeves
Stephenson
Toomy
Zervigon
Ulio

AGAINST
None

Since there was a question of whether the committee could
report a proposal with less than a majority vote of the total
committee membership, Mr. D’Gerolamo offered a motion to recess
subject to call by the chairman. The motion carried without objection.

Chairman

R. Gordon Kean, Secretary

APPENDIX A

COMMITTEE AMENDMENT

Amendment proposed by Committee on Local and Parochial Government
Proposal (Printed as Resolutions)

by Delegate Perez, et al.

Amend printed proposal as follows:

AMENDMENT NO. 1
On page 7, line 2, after the word and punctuation "legislature," delete the remainder of the line and delete line 3 in its entirety.

AMENDMENT NO. 2
On page 7, between lines 3 and 4, insert the following section:

"Section 14. Local Officials; Compensation

Section 14. The compensation or method of fixing the compensation of a local elected official of any local governmental subdivision which operates under a home rule charter or plan of government as provided in Sections 7 and 8 of this Article, shall be provided in its charter. The compensation or method of fixing the compensation of local elected officials of any other local governmental subdivision shall be provided for by law. Compensation of local officials shall not be reduced during the terms for which they are elected."

OR

"Section 14. Local Officials and Employees

Section 14. The governing authority of any local governmental subdivision shall prescribe the duties and fix the compensation of its members, as well as that of other officers and employees, subject to any applicable civil service law. Compensation of local elected officials shall not be reduced during the terms for which they are elected."

AMENDMENT NO. 3
On page 7, at the beginning of line 4, change "Section 14." to "Section 15."

AMENDMENT NO. 4
On page 7, at the beginning of line 5, change "Section 14." to "Section 15."

AMENDMENT NO. 5
On page 5, between lines 10 and 11, insert the following:

"(C) The powers and functions of a parish or city school board and the officers of sheriff, clerk of the district court, coroner, and assessor shall not be affected by any provision of a home rule charter or plan of government adopted or amended under the provisions of this Section."
AMENDMENT NO. 6
On page 6, between lines 2 and 3, insert the following:

"(C) The powers granted in this Section shall not be construed to affect the powers and functions of a parish or city school board and the offices of sheriff, clerk of a district court, coroner, and assessor."

AMENDMENT NO. 7
On page 17, between lines 20 and 21, insert the following:

"(E) The legislature by general or special law may authorize the imposition of additional sales and use taxes by local governmental subdivisions in excess to that provided in paragraph (a) of this Section, provided that such taxes are approved by the electors of the local governmental subdivision as provided in paragraph (b) of this Section.".

AMENDMENT NO. 8
On page 17, between lines 20 and 21, insert the following:

"(E) Nothing contained in this Section shall be construed to repeal or affect any sales and use tax authorized or imposed by any municipality, parish, or school board as provided by law or a home rule charter or plan of government on the effective date of this constitution."

AMENDMENT NO. 9
On page 16, line 32, after "Section 34. (A)" delete the remainder of the line and on page 17, delete line 1 in its entirety and at the beginning of line 2 change the word "local" to "Local"

AMENDMENT NO. 10
On page 13, at the end of line 4, add the following:

"deep-water port commission, or deep-water port, harbor, and terminal district,"

AMENDMENT NO. 11
On page 13, line 21, after the word "subdivision" and before the word "issuing" insert the following:

", deep-water port commission, or deep-water port, harbor, and terminal district"

AMENDMENT NO. 12
On page 18, line 18, after "Section 39." and before the word "obligation" delete the word "General" and insert in lieu thereof the following:

"Subject to the approval of the State Bond Commission or any successor thereto, general"

AMENDMENT NO. 13
On page 10, line 14, after the word "Districts" and before the semi-colon ";" delete the words "and Local Public Agencies"

scheduled election within the local governmental subdivision or special district thereof in which the vacancy occurs, then the special election to fill said vacancy shall be held on the same date as the scheduled election.*

AMENDMENT NO. 19
On page 7, line 23, after the word "year" and before the words "a special" change the semi-colon ";" to a comma ",".

AMENDMENT NO. 20
On page 1, line 1, after the word "operative" and before the word "any" delete the word "an" and insert in lieu thereof the word "in"

3

MINUTES

Minutes of the Committee on Local and Parochial Government of the Constitutional Convention of Louisiana of 1973

Held pursuant to notice given by the Chairman of the Convention Friday, September 7, 1973

Independence Hall
Convention Floor
Saturday, September 8, 1973

siding: Chalin O. Perez, Chairman of the Committee on Local and Parochial Government

Present

Chalin O. Perez
I. Jackson Burson
Joseph Conino
Terry Reeves
R. Gordon Kean
Ethan Chatelin
Mayor Pete Heine
Edward D'Gerolamo
George Dewey Hayes
Walter Lanier, Jr.
E. Stephenson
Joseph F. Tooney
Dr. Frank Ullo
Mary Zervigon

Absent

Johnny Jackson
Harvey W. Cannon, Jr.
H. N. Fowler
Joseph Giarrusso, Sr.
V. C. Shannon
Dean Louis Berry

Chairman Perez called the meeting to order. Roll was called and a quorum established.

Mrs. Tervigon moved to report out Committee Proposal No. 17 "With Amendments", ratifying all amendments adopted by the committee at the meeting of September 7, 1973. The motion carried by a vote of fourteen for and none against:

FOR

Chalin O. Perez
I. Jackson Burson
Joseph Conino
Terry Reeves
R. Gordon Kean
Ethan Chatelin
Mayor Pete Heine
Edward D'Gerolamo
George Dewey Hayes
Walter Lanier, Jr.
J. E. Stephenson
Joseph F. Tooney
Dr. Frank Ullo
Mary Tervigon

AGAINST

None

A copy of all the amendments adopted by the committee and attached to the committee report are attached hereto and made a part of these minutes.
Minutes of the Committee on Local and Parochial Government of the Constitutional Convention of Louisiana of 1973

Held pursuant to notice given by the Secretary in accordance with Convention rules
Committee Room 9, State Capitol
Baton Rouge, Louisiana
Thursday, September 13, 1973

Presiding: Chalin O. Perez, Chairman of the Committee on Local and Parochial Government

Present: Chalin O. Perez
Edward D'Gerolamo
R. Gordon Kean, Jr.
Harvey M. Cannon, Jr.
Ethan Chatelain
Mayor Pete Heine
N. M. Fowler
George Dewey Hayes
Walter Lanier, Jr.
J. E. Stephenson
Dr. Louis Berry
Joseph F. Toomy
Mary Servigon

Absent: Johnny Jackson
Terry Reeves
Edward D'Gerolamo
Joseph Giarrusso, Sr.
V. C. Shannon
Dr. Frank Ullo

The chairman called the meeting to order and roll was called. There being a quorum established, the meeting proceeded.

Mr. Perez informed the committee that its proposal would be taken up by the Convention next. He asked for the support of the whole committee in presenting it on the floor. Mr. Perez asked if there were feelings of general acceptability or opposition to the proposal. Mr. Lanier told the committee that there was some concern over the definition Section and the Section dealing with the powers of other local governmental subdivisions. It was suggested that the definition Section of the proposal come up for adoption first before going into the rest of the proposal.

The committee was in agreement with this suggestion.

The committee next reviewed the first thirteen Sections of the proposal to determine who would handle each Section on the floor. Mr. Perez made the following assignments:

- Section 1. Perez
- Section 2. Perez
- Section 3. Perez
- Section 4. Perez
- Section 5. Perez
- Section 6. Burson
- Section 7. Kean
- Section 8. Kean and Lanier; Paragraph (D) Chatelain
- Section 9. Lanier
- Section 10. Burson
- Section 11. Reeves
- Section 12. Lanier
- Section 13. Lanier

Mr. Lanier informed the committee he had received resolutions praising the committee work from the city of Thibodeaux and parish of Lafourche.

Mr. Kean requested the committee invite Mr. Lenox to the next meeting to have him speak on behalf of his delegate proposal relative to levee districts which had been referred to the committee.

The committee decided to delay action on the other committee and delegate proposals which had been referred to it.

Mrs. Servignon moved to adjourn until 10:00 a.m. the following morning. There was no objection and the meeting was adjourned.

Minutes of the Committee on Local and Parochial Government of the Constitutional Convention of Louisiana of 1973

Held pursuant to notice given by the Secretary in accordance with convention rules
Room 205, State Capitol
Baton Rouge, Louisiana
Friday, September 21, 1973

Presiding: Chalin O. Perez, Chairman of the Committee on Local and Parochial Government

Present: Chalin O. Perez
Edward D'Gerolamo
R. Gordon Kean, Jr.
Harvey M. Cannon, Jr.
Ethan Chatelain
Mayor Pete Heine
N. M. Fowler
George Dewey Hayes
Walter Lanier, Jr.
J. E. Stephenson
Joseph F. Toomy
Mary Servigon

Absent: Joseph Conino
Terry Reeves
Harvey Cannon, Jr.
Edward D'Gerolamo
Joseph Giarrusso, Sr.
V. C. Shannon
Louis Berry
Dr. Frank Ullo

The chairman called the meeting to order and roll was called. A quorum being established, the meeting proceeded.

Mr. Perez suggested that the committee consider the four amendments discussed at the joint meeting with the Revenue, Finance and Taxation Committee on Thursday, September 20, 1973. The amendments, prepared by Delegate Conroy, attempted to resolve the conflicts between the two committee proposals. The amendments are attached hereto and made a part of these minutes as Appendix A.

The committee took the following action on the four amendments:
Amendment No. 1: The committee agreed with the purpose of this amendment to exempt persons from paying a parish occupational
license tax if they pay a municipal license tax. However, the committee felt that the language did not exactly express the desired result and requested the staff to redraft the amendment for consideration at the next committee meeting.

Amendment No. 2: This amendment would remove the Section which takes the state out of the property tax business. There were strong feelings by the committee that this Section should be retained in the committee proposal. The committee decided that this Section should be left to the vote of the Convention.

Amendment No. 3: This amendment would delete the paragraph in Section 12 which would require political subdivisions to levy an ad valorem tax to make up any deficit in other sources of revenue pledged to the payment of certificates of indebtedness. The committee was in support of this amendment.

Amendment No. 4: The committee reached no decision on this amendment which would place an "except as otherwise provided in this constitution" clause in front of the Section on ports.

The staff was requested to prepare a letter to be sent to the Committee on Revenue, Finance and Taxation advising them of the action taken by the committee on the four amendments.

Mr. Burson stated that he had talked with representatives of the School Board Association and that they had expressed some concern over the committee proposal; in particular, whether the committee intended the term political subdivision to apply to school boards or districts. The staff was requested to invite representatives from the School Board Association to the next committee meeting.

The committee also discussed the idea of passing over the finance provisions in the committee proposal until the property tax proposal was adopted but reached no agreement on whether to recommend this action.

Mr. Kean moved to adjourn. Without objection, meeting was adjourned.

FLOOR AMENDMENT

Amended Proposal No. 17 by Delegate Perez, et al.

Reprinted as engrossed, amended, as follows:

AMENDMENT NO. 1

On page 17, at the end of the sentence on line 8, substitute a comma "," for the period "." after the word "Local" and insert the following:

"and the total amount of any occupational license tax levied by a parish shall be reduced by the amount of any occupational license tax levied by any municipality therein."

AMENDMENT NO. 2

On page 19, delete lines 7 through 14, both inclusive.
Committee Proposal No. 29 without action. The motion passed without objection.

Mr. Kean moved to report unfavorably Delegate Proposal No. 30, introduced by Delegate Lennox, relative to levee districts. The motion passed without objection.

Mr. Toomy moved to report without action Delegate Proposal No. 56, introduced by Delegate Toomy, relative to local officials and employees. After discussion, the question was called by the chairman and a roll call vote was taken.

<table>
<thead>
<tr>
<th>Yeas</th>
<th>Nays</th>
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<tbody>
<tr>
<td>Conino</td>
<td>Kean</td>
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<tr>
<td>Reeves</td>
<td>Chatelain</td>
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<td>D'Gerolamo</td>
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<td>Hayes</td>
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<td>Lanier</td>
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<td>Shannon</td>
<td>Zervigon</td>
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<td>Toomy</td>
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On a vote of seven yeas and six nays, the motion was adopted to report the proposal to the convention without action.

The committee next began discussion on Committee Proposal No. 27, introduced by the committee, relative to the donation, loan or pledge of public funds, credit or property.

The following amendments were proposed to Committee Proposal No. 27:

Mr. Lanier moved to add "(A)" to the first paragraph. The motion passed without objection.

Mr. Kean moved that an amendment be added to line 20, after the word "private" change the period "." to a comma "," and add "nor shall the state nor any political subdivision purchase or subscribe to the capital stock or stock of any corporation or association whatever or for any private enterprise."

Mrs. Zervigon offered a substitute motion that Amendment No. 1 (see Appendix A), offered by Mr. Kean, be adopted. Without objection, the substitute motion of Mrs. Zervigon was adopted and amendments to the language of Amendment No. 1 were called for.

Mrs. Zervigon suggested changing "political corporation" to "political subdivision" throughout the Amendment and on line 2 under "(C)" deleting "or political corporation".

Without objection, Mrs. Zervigon's suggested changes were adopted.

Mr. Kean moved that in Paragraph (B)(4), after "donation of" delete "state" and insert in lieu thereof "public". Also, Mr. Kean moved in Paragraph (B)(4) after "furtherance of" delete "other" and after "facilities and" insert "other". There being no objection to those changes, they were adopted.

The chairman asked if there were any objections to reporting out Committee Proposal No. 27 with amendments. There were no objections, and the proposal was ordered reported with amendments.

Chairman Perez asked Mr. Lanier, Subcommittee Chairman, to explain the report of the Subcommittee on Transitional Measures for Local and Parochial Government. (See Appendix B).

Mr. Lanier began explaining the chart on letter-size paper. He stated that there were two delegate proposals pending on Article IV, Section 5, relative to local or special laws. Also, on Article VII, Section 69, he suggested the committee might want to recommend some action be taken to pass laws to apply to vacancies which occur in an office partially within and partially without a municipality.

The chairman stated it was still not clear to him what the legal affect of this proposed report would be.

After lengthy discussion, Mr. Lanier asked the staff for two memorandums regarding specifically (1) an opinion on whether or not the adoption of the new constitution invalidates all existing laws even though the law may not be in conflict, and (2) can we transpose the present levee compensation provision (Art. XVI, §6) to be interim law prior to the legislature acting to establish the method of compensation as required under Section 49 of Committee Proposal No. 17, as adopted.

Mrs. Zervigon moved that the delay action on the Subcommittee report. There being no objections, it was so ordered.

Mr. Chatelain moved for adjournment. Without objection, the meeting adjourned at 11:55 A.M.

CHALIN C. PEREZ, Chairman

NOTES

C.P. No. 15 proposed committee amendments are set out in their entirety at Jl Journal 1015, above. Transitional Committee Report is set out below in Vol. XIV.

NOTES

No minutes for the committee meeting of January 4, 1974 appear in the files of the Committee on Local and Parochial Government.

MINUTES

Minutes of the Committee on Local and Parochial Government of the Constitutional Convention of Louisiana of 1973
Held pursuant to notice given by
the Secretary in accordance with
Convention rules
Monday, January 7, 1974
Committee Room 1 - State Capitol
Baton Rouge, Louisiana

Presiding: Chalin O. Perez, Chairman of the Committee on
Local and Parochial Government

Present: Harvey Cannon 
F.J. Chatelain 
Joseph Comino 
Edward D'Gerolamo 
George D. Hayes 
Johnny Jackson 
R. Gordon Keen 
Walter I. Lanier, Jr. 
V.C. Shannon 
James F. Stephenson 
Corine D. Maydoue 
Joseph P. Toomy 
Mary Zervigon 
Pete Weiner

Absent: Jack Burson 
H.M. Fowler 
Joseph Glarrusso, Sr. 
Terry Reeves 
Frank Ullo

The meeting was called to order by the chairman and a
quorum was ascertained.

The committee continued discussing those sections of the
Style and Drafting report (Document XV) which it had
passed over at the last two meetings. A copy of Document
XV is attached to the minutes of the committee meeting held
on January 4, 1974. (Reference to pages, lines and sections
refer to the right hand side of the document unless otherwise
specified.) The following action was taken by the committee:

The committee began discussing Section 5(G). The
committee felt that the language used in the suggested changes
did not clearly express the intent of the committee. They
felt that the intent was to have the last clause of the section be applicable to both "inconsistent with this constitu-
tion" as well as "any law". The staff had prepared some
alternate language to Section 5(G) for consideration by the
committee. Mrs. Zervigon moved to approve the staff suggestion
with some changes made by the committee. The paragraph would
read as follows:

"Section 5(G). Parish Officials and School Boards
Not Affected. No home rule charter or plan of government
shall contain any provision affecting a school board or the
offices of district attorney, sheriff, assessor, clerk
of a district court, or coroner, which is inconsistent
with this constitution or law."

Without objection, the motion carried.

Relative to Section 15, the committee was concerned about
the words "including, without limitation" being left out in
the suggested changes. The staff had prepared alternative
language for the committee's consideration. After some
discussion, Mrs. Zervigon moved to approve the language
suggested by the staff which read as follows:

"Section 15. Local Governmental Subdivisions;

Control Over Agencies

Section 15. The governing authority of a
local governmental subdivision shall have general
power over any agency heretofore or hereafter created
by it, including, without limitation, the power to
abolish the agency and require prior approval of any
charge or tax levied or bond issued by the agency."

Without objection, the motion carried.

Mr. Comino moved to approve Section 39(A), except that
on page 64, line 28, after the word "Article", change the
comma "," to a period "." and delete the remainder of the
line and delete line 29 in its entirety. This should be
referred to the convention saying that this provision is
self-operative and these are unnecessary words. Without
objection, the motion carried.

Mr. Shannon moved to approve Section 43(A) as adopted
by the convention, left column, except that on page 71,
left column, line 5, after "any" and before "provision"
change "other" to "contrary" and line 12, after "commerce,"
add the last sentence on the right hand side (if the district
has no ...) Without objection, the motion carried.

Mr. Lanier moved to approve Section 43(B) with the
exception that on page 72, line 12, after the word "of" and
before the word "property" the word "said" be inserted.
The motion carried without objection.

Mr. Lanier moved to approve Section 44 with the exception
that on page 73, line 18, after the numeral "(2)" and before
the word "by" insert the word "Only." Without objection, the
motion carried. Mr. Toomy moved to change the title of Section
44 to read "Port Commissions and Districts". Without objection,
the motion carried.

Mr. Cannon moved that with respect to the use of the
word "now" in Section 39 (Levee Districts) and Section 44
(ports), as adopted by the convention, that it was the con-
census of the committee that the word "now" meant the date
of adoption of the proposal by the convention; therefore,
the committee recommends the consideration of a date certain
such as January 1, 1974, to be inserted instead of the words
"upon the effective date of this constitution" or the date
"January 19, 1974", the date we assume the constitution will
be adopted by the convention, be inserted. Without objection,
the motion carried.

Meeting was adjourned.

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NOTES

Style and Drafting Comparative Presentation of proposed styling suggestions on C.P. No. 17 is reproduced in Vol. XIV, below.

MINUTES

Minutes of the Committee on Local and Parochial Government of the Constitutional Convention of Louisiana of 1973

Held pursuant to notice given by the Secretary in accordance with Convention rules

Thursday, January 10, 1974

Treaty Room - White House Inn

Baton Rouge, Louisiana

Presiding: Chalin O. Perez, Chairman of the Committee on Local and Parochial Government


Absent: J. Jackson Burson Edward D'Gerolamo H.M. Fowler Joseph Giarrusso, Sr. Johnny Jackson

Mr. Kean moved to place Article XIV, Section 3(b) in the super majority vote category. On a vote of 5 for and 6 against, the motion failed to pass. The voting was as follows:

YES NO
Conino Cannon
Heine Chatelain
Kean Shannon
Lanier Stephenson
Zervigon Toomy
Ullo

Mr. Burson moved to place all the articles and sections to be made statutory in the two-thirds vote category. The motion failed on a vote of 4 for and 8 against. The voting was as follows:

YES NO
Burson Cannon
Heine Chatelain
Kean Conino
Ullo Lanier

Mr. Shannon moved to place all of the articles and sections to be made statutory in the majority vote category. On a vote of 8 for and 4 against, the motion carried. The voting was as follows:

YES NO
Burson Cannon
Chatelain Conino
Heine Kean
Shannon Lanier
Stephenson Zervigon
Toomy
Ullo

Meeting was adjourned.

CHAIRMAN

VICE CHAIRMAN

SECRETARY

MINUTES

Minutes of the Committee on Local and Parochial Government of the Constitutional Convention of Louisiana of 1973
Held pursuant to notice given by
the Secretary in accordance with
the rules of the convention
Monday, January 14, 1974
Treaty Room - White House Inn
Baton Rouge, Louisiana

Presiding: Chalil O. Perez, Chairman of the Committee on
Local and Parochial Government

Present: I. Jackson Burson Absent: Joseph Ciarrusco, Sr.
Harvey Cannon R. Gordon Kean
E.J. Chatelain V.C. Shannon
Joseph Corino
Edward D'Gerolamo
H.M. Fowler
George Dewey Hayes
Pete Helce
Johnny Jackson
Walter J. Lanier, Jr.
Corrine D. Maybuce
Terry Reeves
James E. Stephenson
Joseph F. Toomy
Frank Ullo
Mary " squeezing"

The chairman called the meeting to order and roll was
called. A quorum being established, the meeting proceeded.

The committee was given a copy of the report to be
submitted to the Committee on Legislative Liaison and
Transitional Measures. A copy of the report is attached
hereto and made a part of these minutes as Appendix A. The
committee took the following action on the report:

Mr. Lanier moved, on page 2 of the report, to include
Paragraphs (a), (h), (d), (e), and (f) next to Article XIV,
Section 40. Without objection, the motion carried.

Mr. Lanier moved, on page 2, to delete Article XIV,
Section 31 and transpose it as a statute. There was no
objection to the motion.

Mr. Chatelain made a motion to place Article XIV,
Section 40(c) under Section IV, page 8, of the report.
Without objection, the motion carried.

Mr. Lanier suggested that a special transition schedule
was needed for Article XVI, Section 6, relative to compensation
for property used or destroyed for levee purposes. He felt
that such a transition provision was necessary to show the
intent of the committee to transpose the present provision for
compensation until such time as the legislature acts to effectuate
the new Section on this subject matter. Mr. Perez suggested
that transposing Article XVI, Section 6 as a statute might
take care of this problem. Mr. Stephenson moved to give Mr.
Perez authority to decide the proper manner in which to handle
this matter after consulting the Committee on Legislative
Liaison and Transitional Measures. Without objection, the
motion carried.

On the last page of the report, footnote No. 2, the
Section title was changed to "Home Rule Charters; Authorization"
and the Section was redrafted to read as follows:

"Section __. The provisions of Article XIV, Sections 1(a), 3(c), 3(d) (second), 22, 37, and 40(c)
of the Constitution of 1921 are continued in effect
as the constitutional authorization for home rule charters
or plans of government ratified in Article VI, Section 4
of this constitution."

Mr. Burson moved to adopt the report with the above
changes. Without objection, the motion carried.

Mr. Chatelain made a motion authorizing the chairman
to approve all the minutes which have not been approved.
Without objection, the motion carried.

There being no further business, the meeting was adjourned.


NOTE S
Report to the Committee on Legislative Liaison
and Transitional Measures is reproduced in
Vol. XIV, below.
B. Subcommittee Minutes

1. Subcommittee on Jurisdiction

MINUTES

Minutes of the Subcommittee on Jurisdiction of the Committee on Local and Parochial Government of the Constitutional Convention of 1973
State Capitol, Baton Rouge, Louisiana
Monday, February 26, 1973, 1:30 P.M.

Presiding: R. Gordon Kean, Chairman of the Subcommittee on Jurisdiction

Present: R. Gordon Kean
I. Jackson Burson
Walter Lanier, Jr.
V. C. Shannon
Joseph F. Toomey
Mrs. Mary Servignon
Terry Reeves
Harvey Cannon

The chairman stated that the Legislative Council made a study of the Constitution of 1921 in view of what should be considered within the jurisdiction of the Local and Parochial Government Committee. From this study, the Council prepared a compilation of the articles it deemed applicable.

Mr. Chalin Perez has attempted to scan Articles IV, XIV, and XIX and other various articles that he has been able to find in the present Constitution which are applicable to this committee. These provisions are divided into four groupings: (1) General Provisions; (2) Transportation; (3) Special Districts; and (4) City of New Orleans. These groupings are for convenience only and are not intended to indicate specific areas of committee action. A copy of these provisions is attached hereto and made a part of these minutes.

The subcommittee discussed certain materials which may fall either within the jurisdiction of the committee or one of the other substantive committees. The subcommittee feels it unnecessary to resolve these questions at this time, but has listed these questions to indicate examples of matters which may need to be referred to the Coordinating Committee for resolution. A copy of these questions is attached hereto.

It was acknowledged that several areas were possibly missed, but that this information is a good beginning. The subcommittee requested that copies of the above mentioned materials be mailed to all committee members along with the report of the Constitution Revision Commission containing local government proposals taken from the proposed South Dakota Constitution and from the Model State Constitution prepared by the National Municipal League, local government recommendations made by the Local Government Committee of the Louisiana Constitutional Revision Committee, and the report by the Louisiana Law Institute whose work preceded the work of the Revision Commission.

There being nothing further to discuss, the meeting adjourned at 3:45 P.M.

EXHIBIT 'T'

The following groupings of provisions in the Constitution of 1921 are considered to be within the scope of the assigned jurisdiction of the Committee:

GROUP I - GENERAL PROVISIONS

A. ARTICLE IV - Limitations

Section:
2. Public debt; alienation of public lands; reservation of mineral rights; mineral leases; royalty road fund; parish road bonds
2(a). Board of liquidation c. state debt, bonds; public works
4, 5, 6 Local or special laws
12. Loan or pledge of public credit; relief of destitute; donations; transfer of property; bonds; leasing of health institutions; donation to U.S. for Veterans Hospital (loan or pledge of public credit insofar as it applies to local government).
18. Legislation to enable compliance with federal laws and regulations to secure federal aid in capital improvement projects.

B. ARTICLE IX - Removal from Office

Section:
9. Recall

C. ARTICLE X - REVENUE AND TAXATION

Section:
1. Taxing power; specific taxes
4. Tax exemptions
5. Parochial and municipal corporations; public boards; living powers; limitations
6. Local, municipal and district taxes; assessment; collection
8. License taxes; restrictions
9. Banks, domicile out of state; international or foreign banking; tax
10. Political subdivisions; special local taxes; purpose; limitations
10 a. Special tax for municipal services
10 b. Revenue Sharing Fund
11. Collection of taxes; tax sales; quieting tax title; postponement of taxes; loans to parishes
13. Local improvement assessments
14. Local application of certain constitutional provisions
15. Survey and maps to aid assessment and taxation, cost
17. Vehicles; license taxes; double taxation
19. Dwelling, house exemption in certain municipalities; time limit
21. Severance tax on natural resources
22. New industries; exemption from municipal and parochial taxation; school tax exception
23. Tax levy for capital improvements at Francis T. Nicholls State College at Thibodaux

D. ARTICLE XIV - PARochial & MUNICIPAL AFFAIRS

Section:
1. New Parishes
2. Change of parish lines or removal of seat; election
3. Optional plans of parochial government
4. East Baton Rouge Parish
5. Jefferson Parish; charter commission; plan of government
6. Parish Charter Commission
7. St. Bernard Parish; home rule powers, plan of government
8. Additional authority of board
9. Limitation on bonded indebtedness
10. Additional powers and authority
11. Members of board; appointment; term; removal
13. Lake Pontchartrain Causeway
14. Greater Baton Rouge port commission
15. Debt limitation
16. Ascension Parish included in Port area
17. Number of commissioners
18. Full faith and credit of parishes pledged
19. Ouachita Port Commission
20. Caddo-Bossier Parishes Port Commission
21. Lake Providence Port Commission

22. (a). Vieux Carre Commission
23. (g). Parish charter commission; its duties, powers, functions and limitations
4. Dissolution and merger of parishes
5. New or enlarged parishes; adjustment of assets and liabilities
6. Withdrawal of municipal authority from parochial taxing authority
7. Parochial taxation in cities and towns; limitation
8. Municipal consolidation; special taxes
9. Parochial tax limits; tax for municipal, district and parish; fairs
10. Municipal tax limits; special taxes
11. City of Shreveport bonds ratified and reaffirmed
12. Servitudes; public acquisition by prescription
13. State penal institutions; crimes in, or by inmates or employees; reimbursement of parish expense
14. Municipal low factories
15. Special tax to aid public utilities; elections, qualification of voters
20. Additional motor fuel tax
21. Dealers; persons taxable; definition
22. Importers; reports
23. Dealers; payment of tax; reports; bond; enforcement; aircraft fuel
24. Disposition of collections; allocation; expenditures; inner-harbor navigation canal bridge or tunnel
25. Purpose and intent of article
26. Supervisors of public accounts; powers and duties
27. Penalties for delinquency
28. Failure to report; examination of books and records; computation of tax
29. Falsification; enforcement; bond
30. Costs and receipts
31. Enforcement expenses
32. Self-operative effect
33. Exemptions
C. ARTICLE XIV - PAROCHIAL & MUNICIPAL AFFAIRS

Section:

6. Property for navigation canals; acquisition by parishes or municipalities; financing

30. Improvements by riparian owners in cities over 5,000 or within port of New Orleans; expropriation; just compensation

30(1). Port, harbor and terminal districts; creation as political subdivisions

30(2). Lake Charles harbor and navigation district; ratification

30(3). Navigation and river improvement districts; creation as political subdivisions; ratification of Lake Charles harbor and terminal district

30(4). Navigation and river improvement districts; effect on levee bonds

30(5). Red River Waterway

31. Port, harbor and terminal districts; creation as political subdivisions; ratification of Lake Charles harbor and terminal district

31(6) New Orleans; Moisant International Airport; Improvements

45. Sabine River Authority

GROUP XIII - SPECIAL DISTRICTS

4. ARTICLE VI - ADMINISTRATIVE OFFICERS & WARDS

Section:

11(1). Mosquito abatement districts

B. ARTICLE XIV - PAROCHIAL & MUNICIPAL AFFAIRS

Section:

36. Jefferson Parish; community center and playground districts; bonds

37(1). Jefferson Parish; sub-sewerage districts

38. Jefferson Parish; public improvement districts; levee systems, pumps, etc.; indebtedness; bonds

40. Jefferson Parish; public improvement districts

38(1). St. Charles Parish; consolidation projects by public improvement districts

39(1). Calcasieu Parish; community center and playground districts; bond issue; secret cy-treasure; performance bond

43. Jefferson Parish; consolidated drainage districts; bonds; taxation

47. Louisiana Stadium and Exposition District

C. ARTICLE XV - DRAINAGE DISTRICTS

Section:

1. Authorization; powers

2. Existing laws continued

3. Bayou Lafourche fresh water district

4. Iatt Lake Water Conservation District

D. ARTICLE XVI - LEVELS

Section:

1. Levee system; maintenance; state tax

2. District taxes; Orleans levee district tax

3. Bond issues

4. Interstate districts

5. Cooperation with federal government

6. Compensation for property used or destroyed; tax

7. Orleans levee district; board of commissioners; powers

8. Pontchartrain levee district; commissioners; land protection; bonds

8(a) Pontchartrain levee district; additional bond issue

GROUP XV - CITY OF NEW ORLEANS

V. ARTICLE XV - PAROCHIAL AND MUNICIPAL AFFAIRS

Section:

22. New Orleans; election of officers; form of government; powers; home rule charter

23. New Orleans; special acts ratified

23(1). New Orleans; sewerage, water and drainage system; special tax; disbursements

23(2). New Orleans; sewerage, water and drainage system; special levy; special tax

23(3). New Orleans; sewerage and water board; water rates; sinking fund; water works construction

23(4). New Orleans; sewerage, water and drainage bonds; limitation upon bonded indebtedness

23(5). New Orleans; tax levy to pay bonds; disposal of residue; proceeds from assessments

23(6). New Orleans; tax exemption of bonds; investment in bonds; use as security; registration

23(7). New Orleans; interest rate of bonds; form; maximum annual amount due; signatures; cost of preparation and sale

23(8). New Orleans; sale of bonds

23(9). New Orleans; proceeds of bond sale

23(10). New Orleans; continuation of board of liquidation, city debt; application of tax proceeds

23(11). New Orleans; application of §§ 23.4 to 23.10 to other related provisions

23(12). New Orleans; effective date

23(13). New Orleans; classification for drainage purposes

23(14). New Orleans; hearing relating to drainage area

23(15). New Orleans; proceedings following hearing relating to drainage area

23(16). New Orleans; construction of drainage works

23(17). New Orleans; assessments charged in drainage area

23(18). New Orleans; property subject to assessment; interest; certification; collection

23(19). New Orleans; delinquent installments

23(20). New Orleans; issuance of certificates following no interest period

[99]
ARMENIAN OF NEW ORLEANS; USE OF FUNDS

23(21) New Orleans; sale of certificates

23(22) New Orleans; use of funds

23(23) New Orleans; bonds limit: exclusion of certificates

23(24) New Orleans; sale for other taxes; continuation of lien

23(26) New Orleans; tax exemption of certificates; investment in certificates; certificates as security

23(27) New Orleans; sections 23.13 to 23.27 self-operative

23(28) New Orleans; effective date of sections 23.13 to 23.26

23(29) New Orleans; no obligation to provide funds

23(30) New Orleans; rules and regulations; provisions self-operative; board continued; repeal; severability

23(31) New Orleans; drainage system; special tax; investments; disbursements

23(32) New Orleans; drainage bonds

23(33) New Orleans; tax levy to pay bonds; disposal of residue; proceeds from assessments

23(34) New Orleans; tax exemption of bonds; investments; use as security; registration

23(35) New Orleans; interest rate of bonds; form; maximum annual amount due; signatures; costs

23(36) New Orleans; sale of bonds

23(37) New Orleans; proceeds of bond sale

23(38) New Orleans; continuation of board; application of proceeds

23(39) New Orleans; application of §§ 23.32 to 23.38 to other related provisions

23(40) New Orleans; provisions self-operative

23(41) New Orleans; effective date

23(42) New Orleans; termination of right to mill levy use of proceeds

24(23) New Orleans; sewerage, water and drainage bonds; authorization

24(24) New Orleans; sewerage, water and drainage bonds; authorization by election

24(25) New Orleans; sewerage, water and drainage bonds; funds for payment

24(26) New Orleans; sewerage, water and drainage bonds; tax payment; tax exemption; authorized investment or security

24(27) New Orleans; sewerage, water and drainage bonds; interest; form

24(28) New Orleans; sewerage, water and drainage bonds; sale

24(29) New Orleans, sewerage, water and drainage bond; bonds; issues for public improvements

24(30) New Orleans, sewerage, water and drainage bonds; use of proceeds

24(31) New Orleans; sewerage, water and drainage bonds; self-operative provisions

24(32) New Orleans; 1930 bond issue; authorization

24(33) New Orleans; 1930 bond issue; purposes

24(34) New Orleans; 1930 bond issue; debt limit

24(35) New Orleans; 1930 bond issue; funds pledged for payment

24(36) New Orleans; 1930 bond issue; tax

24(37) New Orleans; 1930 bond issue; payment; tax exemption; authorized investment; security for deposits

24(38) New Orleans, 1930 bond issue; interest; form

24(39) New Orleans, 1930 bond issue; sale of bonds

24(40) New Orleans, 1930 bond issue; application of revenue to payment

24(41) New Orleans; 1930 bond issue; self-operative provisions

24(42) New Orleans; 1930 bond issue; emergency borrowing

25. New Orleans; special tax for fire and police departments

26. New Orleans; public belt railroad; commission

27. New Orleans; public belt railroad; bonds and note

28. New Orleans; public belt bridge over Mississippi; use; financing

31(1) New Orleans; bond issue to purchase ferry system

31(3) New Orleans; railroad passenger stations

31(4) New Orleans; Upper Pontalba Building; refinancing obligation

31(7) New Orleans; vehicular and/or pedestrian crossing over or under Inner-Harbor Navigation Canal

B. ARTICLE XIX—General Provisions

Section

20. New Basin Canal and Shell Road

EXHIBIT "E"
88. **Change of provisions relating to criminal courts**
89. **Parish and city officers**
90. **First city court: judge; terms; salary**
91. **First city court: jurisdiction; pleadings; authority; procedure; costs; trials; small claims**
92. **Second city court: jurisdiction; officers; interchange of judges and clerks**
93. **Vacancies: temporary filling by district judges**
94. **New Orleans; municipal and traffic courts: personnel; jurisdiction; appeals**
95. **Sources of fund: control and administration: accounting**
96. **Establishment, jurisdiction; appeals; procedure; judges**
97. **Time of election of judges and other parish officers**

**ARTICLE X - REVENUE AND TAXATION**

Section 1.

**Taxing power: specific taxes**

Only insofar as said section applies to the evaluation and classification fixed for state purposes shall be the evaluations and classifications for local purposes, etc.

3/4 of severance taxes on timber goes to the parish where timber is severed and any other provisions of this section which affect local government

4. **Tax exemptions:**

Insofar as it applies to local government

9. **Banks, domicilo out of state: international or foreign banking: tax**

Insofar as it applies to 1/2 of the tax to go to the municipality wherein it has its principal office

11. **Collection of taxes: tax sales: quieting tax titles: postponement of taxes: loans to parishes**

Insofar as it pertains to "loans to parishes"

21. **Severance tax on natural resources**

Insofar as the percentage of proceeds go to parishes

24. **Authority for tax relief for manufacturing establishments**

**ARTICLE XIV - PAROCHIAL AND MUNICIPAL AFFAIRS**

Section 25.

**Civil service system: state: cities**

15.1 **Fire and police civil service: municipalities of 13,000 to 250,000**
2. Subcommittee on Drafting General Provisions and Subcommittee on Finance

It was decided that the taxing authority proposal would contain a four mill limitation for parishes and a seven mill limitation for municipalities, with a provision in the constitution that an expansion of this limitation will be allowed by a majority vote of the local people.

The members reviewed the proposals the staff had prepared at the request of the subcommittee of March 24, 1973, and several changes were made. The meeting was adjourned at 1:00 p.m.

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Subcommittee was provision parish proposal Gordon Jackson Absent: State the the however, the zoning. Perez constitutional Gordon 1973, later draft include to constitutional matter. kale municipality of would in local would. Whatever having local filling the article. The article of filling of local, the committee proposal may be submitted to the local committee. Mr. Kean stated the statutes authorize a parish to adopt whatever form of government it desires, and reiterated his objection to having a constitutional provision concerning this matter. However, he explained that a constitutional provision is needed to give municipalities protection from legislative interference concerning the authority dealing with local concern. Mr. Burson advised that the subcommittee has prepared a draft on home rule charter, and this provision would be submitted to the full committee for their approval.

Considerable discussion ensued concerning the problem of an unincorporated area wishing to be incorporated as a municipality and the selection of their type of government. It was decided that the subcommittee would discuss this matter in more detail at a later date before submitting it to the full committee.

The staff was asked to prepare a proposal concerning filling of vacancies and the authority (including sheriff, clerk of court, assessors, school boards, and coroner).

Mr. Kean requested the staff to prepare a proposal relative to expropriation and acquisition of property rights into one section.

The subcommittee discussed the subject of revenue sharing, and Mr. Burson stated that when the subcommittee begins the drafting of such articles, they should consider how local governmental units should share in revenue sharing.
The staff was directed to draft a proposal relative to this subject.

Other proposals to be included in the article on local and parochial government were discussed.

Mr. Kean began a general discussion on the Fordham Plan presently being considered by the subcommittee. He questioned this broad grant of authority to political subdivisions, and suggested the subcommittee might wish to reconsider its position so as not to preclude the state legislature from enacting general laws that would affect political subdivisions.

The subcommittee adjourned at 1:30 p.m.

I. Jackson Burson, Chairman

Subcommittee Drafting General Provisions
Committee Room 205
State Capitol
Friday, April 27, 1973

Providing: I. Jackson Burson, chairman, Subcommittee
Drafting General Provisions

The subcommittee discussed in detail the drafts the staff prepared from the previous meetings of this subcommittee. Mr. Lanier submitted a proposal on the powers and limitations on local governmental units, and considerable discussion ensued concerning this matter. Mr. Burson questioned the feasibility of having a supremacy clause in this proposal, and there was discussion relative to a certificate of bonded indebtedness.

Mr. Kean offered a motion to approve Section D of Mr. Lanier's proposal concerning the issuance of negotiable bonds, imposing new taxes, or increasing existing taxes by units of local government. His motion also included approval of Section E stating that the legislature may provide specifically by law for the exclusive exercise by the state of any power or function of a local unit of government other than a taxing power or a power or function specified in subsection (f); and submit these sections to the subcommittee on Finance for their consideration. Mr. Lanier objected, but the motion passed.

Upon returning from lunch, Mr. D'Gerolamo moved the minutes from the subcommittee meeting on March 26, 1973, be approved, and the chairman so ordered.

Considerable discussion ensued concerning revenue sharing and collective bargaining.

It was decided that the section dealing with the legislature increasing municipal or parish financial burdens would be submitted to the full committee for further consideration without any specific recommendations from this subcommittee.

Chairman Burson explained that the subcommittee should not try to be too specific; a certain amount must be left to the interpretation of the constitution.

The staff was asked to prepare the proposal with the changes recommended by the subcommittee at this meeting in order that the subcommittee could approve the final language in the morning and have a final draft to submit to the full committee.

The subcommittee recessed at 5:30 p.m.

Saturday, April 28, 1973

Chairman Burson called the meeting to order. He explained that the subcommittee would review the draft of proposal the staff had prepared as a result of yesterday's meeting.

The subcommittee, with advice from Mr. Salvador Anzelmo, discussed each section of the draft and made various changes. A complete copy of the corrected proposal is attached hereto and made a part of these minutes.

The subcommittee adjourned at 2:00 p.m.

I. Jackson Burson, Chairman

CC/RS-190
1 Constitutional Convention of Louisiana of 1973
2 SUBCOMMITTEE PROPOSAL NUMBER
3 Introduced by Delegates Burson, D'Gerolamo, J. Jackson, Jr.,
4 Kean, Lanier, Perez, and Zervigon
5 PROPOSED SECTIONS:
6 Article ___, Section ___. Municipalities: incorporation,
7 consolidation, merger, and government
8 Section 1. The legislature shall provide by general
9 law for the incorporation, consolidation, merger, and
10 government of municipalities. The legislature shall not
11 pass any special law creating municipal corporations or
12 amending, modifying, or repealing their charters, provided
13 that where a municipality is now operating under a special
14 legislative charter same may be amended, modified, or
15 repealed by special or local law as long as such munici-
16 pality continues to operate under such charter.
17 Reported favorably.
19 Comment: Provides for municipal incorporation by general
20 law. Prohibits special law in language similar to source
21 provision.
22 Article ___, Section ___. Parishes: ratification of
boundaries, creation, consolidation, and dissolution

Section 2. All parishes and their boundaries as established under existing law are recognized and ratified.
The legislation shall provide by general law for the creation, consolidation, or dissolution of parishes under the limitations hereinafter provided. No new parish shall contain less than six hundred twenty-five square miles, nor less than fifty thousand inhabitants; nor shall any parish be reduced below that area or number of inhabitants.

Reported favorably.


Comment: Provides for ratification of existing parish boundaries. Increases the population requirement of the existing provision for creation of new parishes from seven thousand to fifty thousand inhabitants.

Article ____, Section ____. Change of parish lines; election

Section 3. All laws changing parish lines, consolidating parishes, dissolving parishes, or creating new parishes shall, before taking effect, be submitted to the electors of the parish or parishes to be affected thereby at a special election held for that purpose, and no such change shall take effect unless two-thirds of the total vote cast by the electors in each parish affected is in favor thereof.

Reported without action. There is a division among members of the subcommittee as to whether a majority vote or two-thirds vote should be required to change parish lines.

The Law Institute recommends a majority vote.


Comment: Provides for consolidation, dissolution, and creation of new parishes only after approval by a two-thirds vote in each affected parish. The source provisions provide that parishes may be dissolved and merged by a two-thirds vote by the electors of the dissolving parish and approval by a majority vote of the electors of the parish or parishes into which the dissolved parish is to become incorporated.

Section 4. Whenever a parish shall be enlarged or created from territory contiguous thereto, it shall be entitled to a just proportion of the property and assets, and be liable for a just proportion of the existing debts or liabilities of the parish or parishes from which such territory shall have been taken.

Reported favorably.


Comment: This section provides a method of property division and debt assumption when new parishes are created or when parishes are enlarged. This section is taken verbatim from the source provision.

Article ____, Section ____. Removal of parish seat

Section 5. The governing authority of a parish, upon the written petition of not less than twenty-five percent of the electors thereof, as certified to by the registrar of voters, shall call an election on the question of changing the location of the parish seat. The election shall be conducted in the manner provided by the general election laws of the state, insofar as applicable. The location of a parish seat shall not be changed unless two-thirds of the total vote cast by the electors on this question at the election is in favor thereof.

Reported favorably.


Comment: This section retains the requirement of a two-thirds approval by the electors voting at a special election to affect a change in the location of the parish seat, and also adds details as to how the election may be called and how it shall be conducted.

Article ____, Section ____. Existing home rule charters and plans of government of parishes and municipalities ratified

Section 6. The plans of government and home rule charters of the parishes of East Baton Rouge, Jefferson, and Plaquemines and of the cities of New Orleans, Baton Rouge, and Shreveport shall remain in effect until amended, modified, or repealed as provided therein. Each of these local governmental units shall retain the authority,
powers, rights, privileges, and immunities granted, and
shall be subject to the duties imposed by the applicable
constitutional provisions under which their respective
plans or charters were adopted. These local governmental
units shall also enjoy such additional powers as are granted
to local governments by provisions of this constitution,
unless the exercise of such powers is prohibited by their
charters. All other home rule charters of local govern-
ment created or authorized at the time of the adoption of
this constitution shall remain in effect and may be amended,
modified, or repealed as provided therein.

Reported favorably.

Source: La. Const. Art. XIV, §§ 3(a), 3(c), 3(2nd d),
22, 37 (1921).

Comment: (a) The source provisions provide in detail for the

establishment and operation of the plan of government
for the parishes of East Baton Rouge and Jefferson, and
the cities of Baton Rouge, New Orleans, and Shreveport.
Since the source provisions provide for purely local
matters, it is not necessary to include the detailed
provisions in the text of the constitution.

(b) Under Const. Art. XIV, §2(2nd d), detailed pro-
cedures are set out for the adoption of a charter com-
mission form of parish government. Such a plan of
government has been adopted in Plaquemines Parish and
is specifically ratified in this section.

Article ___, Section ___. Powers and limitations on
local governmental units

Section 7. A. Any parish, municipality or other unit
of local government may exercise any power and perform
any function pertaining to its local government and all
other powers necessary, requisite or proper for the manage-
ment of its local affairs not denied to it by its charter,
by this constitution, or by general law, including, but not
limited to, the power to legislate upon, regulate, conduct
and control all matters of local governmental adminis-
tration, to define the powers, duties, and qualifications of
parochial or municipal employees, and to provide for the
protection of the public health, safety, morals and wel-
fare; to license; to tax; and to incur debt and issue
bonds, except as otherwise provided in this constitution.
Any parish, municipality or other unit of local govern-
ment may exercise and perform concurrently with the state
any power or function pertaining to its government and
affairs to the extent that the legislature by general law
does not specifically limit the concurrent exercise of any
such power or function or specifically declare the state's
exercise of any such power or function to be exclusive
except as hereinafter provided.
accomplished two provisions of local government. The grant of powers is accomplished in two ways. In paragraph A these units of local government are given general authority to exercise any power and perform any function relating to their government and affairs. Second, four important powers— to regulate, to license, to tax, and to incur indebtedness—are enumerated in the powers given to these units of local government.

(b) This broad grant of powers is subject to restrictions set forth in paragraph B relating to local debt, defining and providing for punishment of a felony and private or civil laws governing civil relationships.

Article__, Section__. Home rule charter

Section 8. A. The electors of any parish, municipality, or other unit of local government authorized by law to perform general governmental functions may adopt, or amend a charter of government to be known as a home rule charter in accordance with the provisions of this section. The governing authority of any such parish, municipality, or other unit of local government may appoint a commission to prepare and propose a charter, or may call an election for the purpose of electing such a commission in accordance with the primary and general election laws of the state. The legislature shall provide by general law for the implementation of this section.

B. The governing authority of any such parish, municipality, or other unit of local government shall call an election for the purpose of electing a commission to prepare and propose a charter or alternate charter when it is presented with a petition signed by not less than twenty percent of the qualified electors who live within the boundaries of the affected parish, municipality, or other unit of local government, as certified by the registrar of voters. A home rule charter shall be adopted when approved by a majority of the qualified electors voting on the charter proposal at an election to be called and held in accordance with the general election laws of this state.

Article__, Section__. Legislation increasing municipal or parish financial burdens; local approval

Section 9. No law or regulation having the effect of law requiring increased municipal or parish expenditures from local funds shall have effect except upon approval by ordinance enacted by the affected local governing authority.

When funds sufficient to meet the increased local expenditure are provided to the municipal or parish government by that legislation or by separate legislation enacted at the same legislative session, local approval is unnecessary.

Reported without action. There is a division among members of the subcommittee. Some members feel if this section is adopted, a provision should be approved allowing municipal employees to bargain collectively, and/or a provision permitting municipal employees under civil service to engage in certain political activities.

Source: New

Comment: Authorizes the legislature to impose new financial burdens upon municipalities or parishes only when funds are appropriated, or, if no funds are appropriated, the local governing authority shall approve the increase.

Article__, Section__. Appropriation to local governmental units

Section 10. When the legislature has made an appropriation of funds to a parish, municipality, or other unit of local government, then specific expenditure of such funds shall be determined by the governing authority of the local governmental unit subject to any categories of expenditures established by general law and by the act making the appropriation.

Reported favorably.

Source: New

Comment: This provision grants to local units of government control over specific expenditure of funds appropriated by the legislature, subject to any categories of expenditures established by general law and by the act making the appropriation.

Article__, Section__. Governing authorities of parishes and municipalities; controls over agencies they create

Section 11. A. In addition to any other powers granted by the legislature, the governing authority of a parish,
municipality, or other unit of local government shall have the following powers over any agency heretofore or hereafter created or established by it: (1) to remove those members of the governing body of the agency who have been appointed by the governing authority; (2) to exercise budgetary and fiscal control over the agency including the power to veto its operating budgets, in whole or in part; (3) to first approve the submission of proposals by the agency to levy taxes or issue bonds; (4) to substitute itself for the governing body of the agency and to exercise all of its powers and functions; and (5) to abolish the agency if the obligations or indebtedness of the agency are not thereby impaired.

B. If the creation or establishment of the agency required the concurrence of two or more such governing authorities, then concurrence of all of them shall be required for the exercise of the above powers, unless otherwise agreed upon by such governing authorities.

Reported favorably.


Comment: This section is a restatement of the principles set forth in the source provision. It further authorizes parishes and municipalities to remove members of the governing body of agencies created by them, and allows the parish or municipality to substitute itself for the governing board and to exercise all of its powers and functions.

Article ___, Section ___. Assumption of debt.

Section 12. A. Any parish or municipality may assume the debt of any district or public agency, except school districts, situated and having jurisdiction entirely within the boundaries of such parish or municipality and may merge or consolidate such district or agency into such parish or municipality and upon such debt assumption of the parish or municipality, as the case may be, shall succeed to and be vested with all the rights, revenues, resources, jurisdiction, authority and powers of such district. The proposition for such action shall not take effect unless a majority in number of the qualified electors in such district and a majority in number of the qualified electors in the parish or municipality assuming the debt who vote in an election held for that purpose vote in favor of such proposition. The election shall be held, and conducted in accordance with the general election laws of this state.

B. Where the agency which is abolished has any out-standing indebtedness, the authority herein provided shall not be exercised unless provision is made for the assumption of such indebtedness by the governing authority or authorities of the parishes or municipalities involved.

Reported favorably.


Comment: The source provision authorizes any parish to assume the debt of certain enumerated special districts, provided that property taxpayer approval is secured at an election held for that purpose. The above section extends the source provision to authorize any parish or municipality to assume the indebtedness of any district or public agency, except school districts, lying entirely within its boundaries. The revised section changes the source provision in that qualified electors vote on the proposition.

Article ___, Section ___. Local officials

Section 13. The electors of each municipality and parish shall have the exclusive right to elect the members of their respective governing authorities at elections held in accordance with the state election laws. Such officials shall not be removed by the legislature. The salaries of such officials shall not be reduced during the terms for which they are elected.

Reported favorably.


Comment: This section is basically a restatement of the source provision. The source provision is broadened to include parish officials.

Article ___, Section ___. Filling of vacancies: appointment

Section 14. A. Vacancies occasioned by death, resignation, or otherwise, in the office of police juror, city or parish council, parish or municipal governing authority, or special district thereof, mayor or chief executive of any local governing unit, city or parish school board, shall be filled by appointment by the legislative authority of the local governing unit, or by the city or parish school board, unless otherwise provided by the home rule charter or plan of government of the local governing unit. A tie vote by the legislative authority of the local governing unit or school board shall be broken by its presiding officer regardless of the fact that the presiding officer may already have voted as a member of the appointing body.

B. If, at the time a vacancy occurs in an elective
office for which appointment is provided in Section____,
the unexpired portion of the term of office is more than
one year, a special election to fill the vacancy shall be

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held, without the necessity of a call by the governor, not more
than six months nor less than four months, after first receipt
of notice of the vacancy by the secretary of state, to be given
as hereinafter provided, in the parish, municipality or special
district thereof in which the vacancy occurred, and in such
case the appointment provided for in Section____ shall be effec-
tive only until a successor is duly elected and qualified.

C. Upon being informed of the occurrence of a vacancy in
any of the offices specified in Section____, the clerk of the
district court in the parish where the vacancy occurred, and in
the parish of Orleans the clerk of the Criminal District Court,
shall, within twenty-four hours after being thus informed, notify
the secretary of state in writing by registered or certified
mail of the occurrence of the vacancy. Upon receipt of such not-
tice, the secretary of state shall, within twenty-four hours
after such receipt, notify in writing by registered or certified
mail all election officials, including party committees and
boards of supervisors of elections, having any duty to perform
in connection with a special election to fill such vacancy.

D. Nothing in this section shall be construed as changing
the qualifications for the various offices involved and all
appointments must be of persons who would otherwise be eligible
to hold offices to which appointed.

E. The provisions of this section shall apply to all
parishes and municipalities unless otherwise provided by the
charter or plan of government of the local governing unit
adopted in conformity with this constitution.

Reported favorably.


Comment: The source provision authorizes certain enumerated
political subdivisions to acquire property. The revised
section authorizes all political subdivisions to acquire
property, subject to restrictions imposed by general law.

Article____. Section____. Servitudes of way: acquisition
by prescription
Section 16. The public, represented by the various
parishes and municipalities, may acquire servitudes of way
by prescription in the manner prescribed by law.

Reported favorably.


Comment: This section restates the source provision, which
applies to parishes, and broadens it to include
municipalities.

15

Article____. Section____. Prescription against state and
political subdivisions
Section 17. Prescription shall not run against the
state, any parish, municipality, or other political sub-
division thereof in any civil matter, unless otherwise
provided in this constitution or expressly by general law.

Reported favorably.


Comment: Under the source provision prescription shall not
run against the state. The revised section broadens
this to include parishes, municipalities, or political
subdivisions thereof.

Article____. Section____. Zoning
Section 18. Municipalities and parishes are authorized
to enact zoning ordinances and to create and classify
therein residential, commercial, industrial, and other
districts, and to preserve the character of buildings,
monuments, structures, and areas of historical importance.
Municipalities and parishes are authorized to create
airport zones and regulate the heights of buildings,
structures and objects of natural growth in areas surrounding airports.

Reported favorably. Mary Zervigon expressed the view that authority granted in this section is not sufficient to enable the Vieux Corps Commission to effectively perform its functions.


Comment: The source provision grants zoning authority to municipalities generally, and to certain named parishes.

The revision extends the general authorization to all parishes.

Article___, Section___. Industrial areas

Section 19. The legislature may authorize parishes to create industrial areas within their boundaries in accordance with such procedures and subject to such regulations as the legislature shall determine. Parish industrial areas shall not be subdivisions of the state.

Reported favorably.


Comment: The source provision authorizes the legislature to permit parishes to create industrial areas within their boundaries. It also includes certain requirements which must be met in the establishment of industrial areas. The above revised provision continues the legislative authority to permit the creation of industrial areas, but leaves all of the procedures and regulations to the discretion of the legislature.

Article___, Section___. Assistance to local industry by political subdivisions

Section 20. A. Subject to such restrictions as it may impose, the legislature may authorize any political subdivision, in order (i) to induce and encourage the location of or addition to industrial enterprises therein, or (ii) to provide funds for the establishment and furnishing of industrial plants for the conversion or processing of raw form of agricultural products, or (iii) to provide property, movable, immovable, or both, for pollution control facilities, to issue bonds and use the funds derived from the sale thereof to acquire and improve industrial plant sites and other property necessary to the purposes thereof, and to acquire, through purchase, construction, or otherwise, and to improve, industrial plant buildings and industrial plant equipment, machinery furnishing, and appurtenances, and to sell, lease, or otherwise dispose of all or any part of the foregoing.

B. It is hereby found and declared that the purposes designed to be accomplished herein are public and proper legal purposes and will be of public benefit to the political subdivision issuing the bonds.

Reported favorably.


Comment: (a) The source provision provides detailed procedures for the issuance of bonds by political subdivisions to induce, encourage, and aid the location of industry therein. Paragraph A of the revised section adopts the principle that the legislature may authorize such bonds, and the detailed procedures for the issuance of the bonds are omitted from the constitution and should be placed in the statutes.

(b) The second paragraph of the revised section, as does the source provision, defines such bonds to be for public and proper legal purposes.

Article___, Section___. Recall

Section 21. The legislature shall, by general law, provide for the recall of state, district, parish, municipal, or ward officers, except judges of the courts of record, and except wherein otherwise provided by this constitution; provided, the sole issue tendered at any recall election shall be whether such officers shall be recalled.

Reported favorably.


Comment: This section is taken from the source provision, and makes no changes in the law.

Article___, Section___. Intergovernmental cooperation

Section 22. Any parish, municipality, or other local governmental unit authorized by law to perform general governmental functions may exercise any of its powers or perform any of its functions, including financing the same, jointly or in cooperation with any other governmental entities, either within or without the
The term "governing authority" as used in this article means the body which exercises the legislative functions of the parish or municipality. The term "general law" as used in this article refers to a law of statewide concern which is uniformly applicable to every political subdivision in the entire state or which is uniformly applicable to every member of a class of political subdivisions established in accordance with the classification provisions of Section ___ of this Article. The term "special law" means any law other than a general law.

Reported favorably.
by which special elections would be held. These proposals
and other matters being considered by this subcommittee are
included in the attached CC/RS-199.

Mr. Pat Koloski, representing Mayor Moon Landrieu's
office, was introduced and distributed copies of his
recommendations to the members. A copy of these recommen-
dations is attached hereto and made a part of these minutes.

2

There was considerable discussion concerning these
recommendations.

Chairman Toomy adjourned the meeting at 4:00 p.m.

1. Jackson Burson, Chairman
   Subcommittee on General Provisions

Joseph Toomy, Chairman
Subcommittee on Finance

3

20

Addition to CC/RS-190
1 Amendment to Section 23.
2 The term "chief executive officer" as used in
3 this article refers to the mayor, or any other popularly
4 elected chief executive (officer) of any local govern-
5 mental unit.
6
7 Article____, Section____. Supremacy of Constitution and
8 General Laws
9 Section 25. The provisions of this constitution and
10 of any general laws passed by the legislature shall be
11 paramount and no municipality shall exercise any power or
12 authority which is inconsistent or in conflict therewith.
13
15
16 Comment: This section is taken verbatim from the source
17 provision.
18
19 Article____, Section____. Classification
20 Section 26. Except as provided in Section____, the
21 legislature may classify municipalities or parishes
22 according to population or on any other reasonable
23 basis related to the purpose of this classification, and
24 legislation may be limited in its effect to any of such
25 class or classes; but, no statute which is applicable to

fewer than six municipalities or parishes shall become
operative in any such municipality or parish until sub-
mitted to and approved by a majority of the qualified
electors of that municipality or parish voting in an
election held for that purpose.

21


Comment: Under the source provision, legislation applicable
to fewer than the five largest cities of the state shall

not become operative in the city of New Orleans until
approved by a majority of the qualified electors of the
city of New Orleans voting at an election. The revision
provides that if a law is applicable to fewer than six
municipalities or parishes, the law becomes operative in
a municipality or parish to which it applies only if
approved by the voters of that municipality or parish.
Thus, the law becomes operative in a municipality where
it is approved, even if it does not become operative in
others because the voters disapprove or no election is
held. The exception of Section____, deals with municipal
taxation; under that section the legislature is authorized
to make exceptions for individual municipalities from
general laws pertaining to taxation.

22

Addition to CC/RS-190
1 Amendment to Section 23.
2 The term "political subdivision" as used in this
Constitution refers to parishes, municipalities, and any other unit of local government authorized by law to perform general governmental functions.

The term "parish" as used in this constitution refers to the largest civil division of local government within the state.

PROPOSAL

ARTICLE__, SECTION__. Parish Tax; Limitation; Increase

Section 1. Parishes shall have the authority to levy ad valorem taxes for general operating purposes, not to exceed in any one year, four mills on the dollar of assessed valuation; except that in Jackson Parish the limitation shall be five mills. These millage rates may be increased in a parish when approved by a majority of the qualified electors of said parish voting in an election held for any other purpose. Nothing herein shall be construed to affect any special millages legally in force at the time of the adoption of this constitution.


Comment: (a) The source provision places a general limitation of 4 mills on parish property taxes (Jackson Parish is limited to five mills). It also empowers the legislature to authorize the levy of a one-mill tax for parish fairs.

(b) The revision authorizes an increase in the general alimony tax subject to voter approval, and ratifies property tax levies in effect at the time of adoption of this constitution.


Comment: (a) In some cases, the source provision sets...
forth requirements for named political subdivisions to
insure that sufficient sums will be collected to pay their
bonded indebtedness. In other instances, no such require-
ments are enumerated.

b) This section sets forth uniform requirements upon
political subdivisions to insure repayment of their bonds.

Article ___, Section ___. Taxpayer Authorization of Ad
Valorem Tax Bonds of Political Subdivisions

Section 4. Bonds payable from ad valorem taxes levied
without limitation as to rate or amount may be issued
only after authorization by a vote of a majority in number
of the qualified electors in the political subdivision
issuing such bonds, voting on the proposition at a general
or special election held therefor. Funding and refunding
bonds, even though payable solely from ad valorem taxes,
need not be so authorized at an election if the indebted-
ness funded or refunded is paid or cancelled at the time of
the delivery of the funding or refunding bonds, or if money,
or securities made eligible for such purpose by law, are
deposited in escrow in an adequate amount, with interest,
to be utilized solely for the purpose of retiring the funded
or refunded indebtedness or bonds and paying interest thereon
and redemption premiums, if any, to the time of retirement.


Comment: (a) The source provision contains authority for
certain enumerated political subdivisions to incur debt
and issue bonds, with the requirement that such bonds may
be issued only after authorization by a vote of the majority

in number and amount of the property taxpayers qualified
to vote voting on the proposition at an election held
therefor. The above section extends this requirement to
all bonds issued by political subdivisions payable from
ad valorem taxes without limitation as to rate or amount
and eliminates the taxpayer requirement for voting in bond
elections.

(b) The source provision authorizes certain specified
political subdivisions to issue funding and refunding
bonds. The above section extends such authority to all
political subdivisions and specifically provides that no
election is needed to issue such bonds, if at the time of
delivery of the bonds the indebtedness funded or refunded
is paid or cancelled or sufficient money or security is
deposited in escrow.

Article ___, Section ___. Limitations on Bonded Indebtedness
of Political Subdivisions

Section 5. A. Bonds which are payable wholly or in

part from ad valorem taxes levied without limitations as
to rate or amount may be issued by any political subdivision
for any one purpose which, including the existing bonds of
such political subdivision incurred for the same purpose
and payable solely from ad valorem taxes levied without
limitation as to rate or amount, shall not exceed in the
aggregate ten percent of the assessed valuation of taxable
property in the political subdivision, to be ascertained
by the assessment for state and parish purposes last com-
pleted prior to the delivery of such bonds, except that as
to both parishwide school districts and other school
districts, the limitation applicable to each district shall
be twenty-five percent of the assessed valuation of the taxable
property.

B. Any municipality that finances and operates its
own schools and is not located within a parishwide or other
school district shall be regarded as and treated on the
same basis for the purpose of debt limitation and shall
have the same authority for all purposes of this as though
it were such a school district.

C. The legislature may increase the debt limitations
established in this section by general or special law passed
by a two-thirds vote of the elected membership of each house.

D. Bonds of drainage districts payable from acreage
taxes and refunding bonds shall not be considered to be
bonds payable solely from ad valorem taxes for all purposes
of this section.


Comment: (a) The source provision provides that the political
subdivisions enumerated therein shall not incur debt and
issue bonds which, including the existing bonded debt for
such subdivision for such purpose, shall exceed in the
aggregate ten percent of the assessed valuation of the
taxable property of such subdivision. The limitation is
continued in this revised section, but it is made applicable
to all political subdivisions.

(b) The source provision provides that the municipality
of Monroe shall be treated the same as a parishwide school
district or special school district. This revised section
extends this treatment to any municipality that finances
and operates its own schools, without specifically mention-
ing the municipality of Monroe.

(c) The source provision increases the limitation for
parishwide school districts and special school districts
to twenty-five percent for specifically enumerated pur-
poses. This revised section increases the limitation for
such school districts for all purposes.

(d) This revised section retains the exception from the
above limits of bonds issued and secured by acreage taxes, and refunding bonds.

Article____, Section____. Limited Time for Contesting Bonds of Political Subdivisions

Section 6. A. For a period of sixty days from the promulgation of the result of any election held for the purpose of incurring debt, issuing bonds, or levying a special tax, any person in interest shall have the right to contest the legality of such election, the bond issue provided for, or the tax authorized, for any cause; after which time no one shall have any cause or right of action to contest the regularity, formality, or legality of said election, tax provisions, or bond authorization, for any cause whatsoever. If the validity of any election, special tax, or bond issue authorized or provided for, held under the provisions of this section, is not raised within the sixty days herein prescribed, the authority to issue the bonds, the legality thereof, and the taxes necessary to pay the same shall be conclusively presumed to be valid, and no court shall have authority to inquire into such matters.

B. Every ordinance or resolution authorizing the issuance of bonds by a political subdivision shall be published once in a newspaper published in the political subdivision, or if there is none, then in a newspaper having general circulation therein. For a period of thirty days from the date of the publication any person in interest may contest the legality of the ordinance or resolution, the bonds authorized thereby, and of any provision therein made for the security and payment of the bonds. After this time, no one shall have any cause of action to test the regularity, formality, legality, or effectiveness of the ordinance or resolution, bonds, and provisions for any cause whatever; and after this time it shall be conclusively presumed that every legal requirement for the issuance of the bonds, including all things pertaining to the election, if any, at which the bonds were authorized, has been complied with, and no court shall have authority to inquire into any such matters after the lapse of this thirty days.

Article____, Section____. Local Improvement Assessments

Section 7. A. The legislature shall provide by special or general law the procedures by which political subdivisions levy and collect local or special assessments on real property, for the purpose of constructing or improving works of public improvement, including, but not limited to, paving, surfacing, or otherwise improving roads, streets, sidewalks, alleys, or sewers.

B. Certificates of indebtedness may be issued to cover the cost of the public improvement which shall be secured by the pledge of the local or special assessments levied therefor, and may be further secured by the pledge of the full faith and credit of the political subdivision to the payment of the certificates of indebtedness.

C. The governing authority of the political subdivision that has issued certificates of indebtedness payable from sources other than ad valorem taxes, and has pledged its full faith and credit for the prompt payment of the principal and interest thereof, shall levy or cause to be levied on all taxable property in the political subdivision ad valorem taxes, without limitation as to rate or amount, fully sufficient to make up any deficit in the other sources of revenue pledged to the payment of the certificates in principal and interest.


Comment: (a) Paragraphs (A) and (B) above are a restatement of present Const. Art. X, §11, and make no change in the law. The provisions of this section are adopted from the present Article X and placed in the revised Article XIV because this type of indebtedness is an integral part of local improvement financing.

(b) Paragraph (C) above sets forth uniform requirements upon political subdivisions to insure repayment of certificates of indebtedness. In some instances, the source provision, Const. Art. XIV, §14, sets forth requirements for named political subdivisions to insure that sufficient sums will be collected to pay indebtednesses; in other substances
Article__, Section__. Local Elections; Levy of Taxes. 
Issuance of Bonds, Debt Assumption, or Adoption of 
Home Rule Charter

Section 9. The legislature shall provide the procedure 
under which political subdivisions levy taxes, issue bonds, 
or incur other debt obligations, assume debt, or adopt a 
home rule charter, and the provisions of Title 39, relating 
thereto, are hereby confirmed, until amended or modified by 
the legislature.


Comment: The source provision names certain types of 
political subdivisions and gives each a direct constitutional 
authorization to issue bonds; the constitutional authoriza-
tions are omitted from the revision.

I wish to take this opportunity to express the City's 
views on those constitutional provisions of a fiscal nature 
that have some affect on the City of New Orleans.

It is our thinking that the power to tax, the power 
to allocate resources and the capacity to designate local 
priorities are the essence of Home Rule. Without these 
tools, cities can only live from dollar to dollar and from 
day to day. We become subjected to hesitant priority-
making because we cannot determine what revenues we can 
rely on.

It has come to a situation where we must depend heavily 
upon the Legislature or state-wide ratification of constitu-
tional amendments for approval to raise taxes or levy ap-
propriate millage to enact and fund our programs, and to 
sustain our present day-to-day services. We feel the citi-
zens of the City should be able to make that determination 
for themselves.

We are, of course, cognizant of government's responsi-
bilities in its power to tax.

Taxes should be fair. 
They should be equitable. 
They should be reasonable. 
And they should be flexible.

But most of all, the capacity to raise our revenues, and allo-
cate them to meet our priorities, should exist. We should be 
allowed to increase our revenues to fund local services if 
local citizens approve.

"An Equal Opportunity I Player"

Most of these remarks are certainly elementary, but 
they should guide our thinking when we approach gut issues 
such as taxes and finances.

Also elementary, is my request that the Constitutional 
Convention maintain a bias, if you will, in sticking with 
essentials and basic principles of law when writing a new 
constitution. A good, basic document of law will eschew 
the specifics, such as: dedication of millage, formulas 
for taxes or revenue distribution and classification of 
taxes. It should accentuate that which is basic, and that 
which is common to all parishes and cities. Details should 
be relegated to the statutes or to the respective local 
governing authority.

It is with these thoughts that I submit to you the 
attached recommendations regarding the sections of a fiscal 
nature.

Sincerely,

Moon Landrieu

May 10, 1973

RECOMMENDATIONS TO THE COMMITTEE ON 
FINANCE, REVENUE AND TAXATION AND THE 
FINANCE SUB-COMMITTEE OF THE LOCAL AND 
PAROCHIAL GOVERNMENT COMMITTEE.

ML/tbg
Attach.
RECOMMENDATION 1.

We recommend that the present uniformity provision in the first paragraph of Article 10, Section 1, which provides that all taxes be uniform upon the same class of subjects throughout the territorial limits of the authority levying the tax, be retained. We think that this paragraph as it stands authorizes reasonable classifications of property, differential assessment and taxation. A strict uniformity clause which would not permit classifications would, in our opinion, cause great havoc in our present tax structure. This is especially true, because of the recent court decision on the Business Tax.

Reference: Article X., Sec. 1, para. 1. "Taxing Power; Specific Taxes".

RECOMMENDATION 2.

We recommend that if it is necessary and appropriate to retain the present specific listing of taxes within the constitution that:

1. Whenever possible all mention of rates, limits, and formulas of distribution be taken out of the constitution and relegated to the authority of the legislature.

2. That the specifications of the objects and subjects of taxation in the constitution shall not deprive the legislature of the power to require other subjects or objects to be taxed, in such manner as may be consistent with the provisions of taxation fixed in the constitution. For example, the present specifications of income, severance, license, bank, and inheritance taxes should not limit the legislature’s right to authorize the local and state taxation of things such as wealth, value added, property and stock transfers, etc.

Reference:

Art. X., Sec. 1. "Taxing Power; Specific Taxes"
Art. X., Sec. 7. "Inheritance and Donation Exemptions"
Art. X., Sec. 8. "License Taxes; Restrictions"
Art. X., Sec. 9. "Banks; Domicile out of State; International or Foreign Banking Tax".

RECOMMENDATION 3.

We recommend that the specific listing of tax exceptions be limited only to public property; and real and personal property owned by a non-profit corporation or association; and used exclusively for religious, educational, charitable, or cemetery purposes. We also recommend, that the legislature be permitted to grant additional exemptions from taxation only by general law and that authorization to alter or repeal such exceptions be provided.

In the City of New Orleans, approximately 30 percent of all property is tax exempt. This property falls within the broad tax exempt categories as provided in Article 10, Section 4. Although many of the tax exempt properties certainly deserve a tax-exempt status, there are many others of a tax-exempt status which are questionable.

Reference: Article X., Sec. 4. "Tax Exemptions".

RECOMMENDATION 4.

We recommend that Article 10, Sections 5, 6, 10, and 13, and Article 14, Section 14, be incorporated into a general home rule provision which would allow local governing authorities to levy and collect whatever taxes are needed provided that local approval is obtained.

This power to tax should, of course, be limited by those general protections contained in the constitution or in the statutes that the legislature might apply to all political subdivisions of the state.

Reference:

Art. X., Sec. 5., "Parochial and Municipal Corporations; Public Boards; Taxing Power; Limitations."
Art. X., Sec. 6., "Local, Municipal and Parish District Taxes; assessment; collection powers; limitation; rate limits."
Art. X., Sec., 10., "Political Subdivisions, special local taxes; purposes; limitations."
Art. X., Sec., 13., "Local Improvement Assessments."
Art. XIV., Sec., 14., "Subdivision of State; creation of special districts; bond issues; special taxes."

RECOMMENDATION 5.

We recommend that Article 10, Section 11, entitled "Collection of Taxes. Tax Sales: Quieting Tax Titles; Postponement of Taxes; Loans to Parishes," either be taken out of the constitution and placed in the statutes, or be amended to read: "There shall be no forfeiture of property for non-payment of taxes. The legislature shall provide adequate procedures for the collection of all taxes and for the redemption within a fixed delay from sale of property for unpaid taxes." (Projet of a Constitution for the State of Louisiana, Vol. 1, p. 200.)
We think that there are serious deficiencies in the present tax sale procedure. While we have no specific recommendations at this time as to how to remedy this deficiency, this may be forthcoming in the future. If the provision were not in the constitution, it would make it much easier for us to amend the deficiencies, and update the procedures as the need arises.

Reference: Art. X, Sec. 11, "Collection of Taxes; Tax Sales; quitting tax titles; post-ponement of Taxes; loans to parishes."

RECOMMENDATION 6.

Article X, Section 10 (B) entitled, "Revenue Sharing Fund" provides a sum of at least Eighty Million Dollars ($80,000,000) to be distributed among the State's political subdivisions, government agencies and districts.

We think that the retention of this section might encumber the flexibility of the State in developing a more comprehensive form of State Revenue Sharing. Therefore, we recommend that it be deleted from the Constitution.

Reference: Article X, Section 10 (B) "Revenue Sharing Fund".

RECOMMENDATION 7.

We recommend that Article 4, Section 18, be taken out of the constitution. The authorization for the state and its political subdivisions to grant just and fair relocation payments and assistance might be provided in Article 1, Section 2 "Due Process; expropriation of private property for public purposes; fair just compensation." This Article should be expanded to include the authorization for the granting of relocation payments and assistance, as well as for the compensation of expropriated property.

Reference: Article IV, Section 18 "Legislation to enable compliance with federal laws and regulations to secure federal aid in capital improvement projects."

RECOMMENDATION 8.

We recommend that all dedication of millage contained in the constitution be deleted. We feel that the power to raise taxes and millage should be incorporated into a general home rule provision permitting political subdivisions to exercise this authority. We must also request, that if these millage provisions are deleted from the constitution, that some assurance is made which will at least preserve the existing millages of municipalities and other political subdivisions presently levied by them.

References:

Art. XIV., Sec. 24 "New Orleans: Board of Liquidation of City Debt; bond issues for public improvements."
Art. XIV., Sec. 25 "New Orleans: special tax for fire and police departments."
Art. XIV., Secs. 23.31 - 23.43 "New Orleans: drainage system; special tax; investments, disbursements."
Art. XIV., Sec. 23.1 "New Orleans: sewage, water and drainage system; special tax; disbursements."
Art. X., Sec. 10 "Political subdivisions; special local taxes; purposes; limitations."

RECOMMENDATION 9.

Article IV., Section 12, expressly prohibits the State and any political corporations from lending, pledging or granting to any "person or persons, associations or corporations, public or private", the "funds, credit, property or things of value" of the State or the political corporation.

We think that this is a good law in that it safeguards public funds and the public wealth from improper misappropriation.

However, the wording of this section could be interpreted in a very narrow sense to prohibit any inter-cooperation between the public and private sectors of society. Such an interpretation could be most harmful for the public.

We recommend that Article IV., Section 12, be amended so as not to prohibit political corporations from joint-ventures or exchange of property with non-governmental entities and where the benefits to be gained are clearly in favor of the public. Furthermore, we would also suggest that such ventures or exchanges be required to attain local and legislative approval.

Reference: Article IV, Sec. 12. "Loan or pledge of public credit; relief of destitute; donations; transfers of property; bonds; leasing of health institutions; donation to United States for Veterans Hospital."

RECOMMENDATION 10.

Article 10, Section 22, makes possible the exemption from local taxes of new industries.

[117]
We recommend that this section be amended to allow the Legislature to specify the length of time, the classification and the nature of the exemption.

Any formulas, rates, qualifications and procedures relative to exemptions for industries should also be determined by the Legislature.

Reference: Art. X., Sec. 22., "New Industries: exemption from municipal and parochial taxation."

MINUTES

Minutes of the meeting of the Subcommittee on General Provisions of the Committee on Local and Parochial Government of the Constitutional Convention of 1973

Held pursuant to notice mailed by the Secretary of the Convention on May 17, 1973

Baton Rouge Savings and Loan Building

Baton Rouge, Louisiana

Friday, May 25, 1973, 2:00 p.m.

Saturday, May 26, 1973, 10:00 a.m.

Presiding: Joseph Toomy, vice chairman of the Subcommittee on Drafting General Provisions

Present: Joseph Toomy, Absent: I. Jackson Burson

R. Gordon Kean

Mary Servignon

Chalin Perez

The Subcommittee discussed proposal CC/RS-199. Mr. Perez submitted a substitute provision relative to special elections held at the local level in lieu of Section 9. It was decided that action on Sections 1 and 2 be deferred until the research staff submitted revisions. The staff was directed to check other general alimony and special taxes provided for in the constitution.

Mr. Perez suggested that the following provision be inserted in Section 1:

"All taxes authorized in the 1921 Constitution and not included herein shall continue in effect until amended or repealed by the Legislature."

The subcommittee noted that the other sections had already been discussed. Several corrections were made in proposal CC/RS-199.

Proposal CC/RS-463 relative to the creation of special districts was discussed by the subcommittee. After discussion, Mr. Kean offered the motion to defer action on the proposal, and asked the staff to check Section 7 and submit additional language. The motion was approved.

The research staff was directed to secure copies of Senate Bill Numbers 72 and 73 providing for changes in homestead exemptions.

A minority report and suggested changes in language were submitted and filed by Mr. Lanier. Copies are attached hereto and made a part of these minutes.

Mr. Kean suggested that Section 8 of CC/RS-199 be combined with Section 20 of the General Provision draft.

The subcommittee recessed at 5:00 p.m.

Saturday, May 26, 1973

Presiding: I. Jackson Burson, Chairman of the Subcommittee on Drafting General Provisions.

Present: I. Jackson Burson Absent: Edward D'Gerolamo

R. Gordon Kean

Walter Lanier, Jr.

Joseph Toomy

Mary Servignon

Chalin Perez

Ethan Chatelain

Chairman Burson called the meeting to order, and opened general discussion on millage for parochial operating purposes.

Discussion ensued relative to providing for the office of coroner, Article VII, Sections 70, 71, and 72 of the 1921 Constitution. Mr. Kean moved to let the Judiciary Committee have jurisdiction concerning this matter, and the motion was approved.

Discussion then turned to Article VII, Section 69 relative to the filling of vacancies at the local level. Mr. Perez asked why should the governor appoint persons to fill all these vacancies. It was decided to insert the following offices in the proposal relative to the filling of vacancies: sheriff, clerk of district court, assessor, and coroner.

The chairman opened discussion relative to Article IV, Section 4, special laws. Since the Coordinating Committee has recommended that the Committee on Local and Parochial Government and the Committee on Legislative Powers and Functions coordinate on this provision, it was decided to defer action pending the proposal by the Committee on Legislative Powers and Functions.

Chairman Burson requested the research staff to prepare a schedule on provisions deemed obsolete and provisions to be placed in the statutes.

Mr. Kean then offered a motion that the provision relative to municipal ice factories be deemed obsolete. No action was taken on the motion.

It was decided that the subcommittee would meet Friday, June 1, 1973, at 8:00 a.m. prior to the meeting of the full committee.

Chairman Burson opened discussion relative to a supremacy provision to be included in an article on local and parochial government. The staff was directed to draft such a provision for consideration.

[118]
The subcommittee asked the staff to examine Article VII, Section 6(c) of the Illinois Constitution which deals with the subject of municipal ordinances conflicting with county ordinances, and also to prepare a proposal on this subject.

The staff was also requested to study the occupational license tax and the taxing authority of local government.

Mr. Burson asked the staff to prepare the first twenty-two sections of the subcommittee's recommendations to be presented to the full committee on Friday, June 1, 1973.

The subcommittee adjourned at 12:30 p.m.

1. Jackson Burson, Chairman

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MINORITY REPORT

This Minority Report is filed in opposition to subsection A of section 5 entitled Limitations on Bonded Indebtedness of Political Subdivisions which has been tentatively approved by the Finance Subcommittee of the Local and Parochial Government Committee of the Louisiana Constitutional Convention of 1973. The subcommittee has proposed a provision which would limit the amount of bonded indebtedness payable from ad valorem taxes to 10 percent of the assessed valuation of taxable property in the political subdivision except for parishes with school districts and other school districts where the limitation shall be 25 percent of the assessed valuation of the taxable property. I oppose this provision for three reasons: 1. This limitation is unrealistic and not consistent with actual practices on the bonding market and accordingly impose unnecessary restriction on local units of government in the area of public financing; 2. This provision helps to perpetuate the present system of inequity in taxing practices between parishes; and 3. This provision would have the effect of encouraging the present practice of multiplicity of subordinate districts and would not be in accord with the overall policy of this committee to strengthen and centralize the home rule authority of local units of government.

In the testimony that we heard before our committee, we were told that on the bonding market a unit of government could safely issue bonds up to approximately 10 or 15 percent of the actual cash value of the property in the political subdivision. We were also told that the agencies who rate bonds do not look to the local limitation placed by the state but make their determination on what percentage of actual cash value is bonded. It is my understanding that at the present time the assessed valuation in the various parishes in our state ranges from 5 to 25 percent of actual cash value. If a parish is on a 5 percent assessment base, this would mean that this unit of local government under the presently proposed provision could only issue bonds up to 5/10 percent of the actual cash value of the property in that unit. Since we have been advised that a local unit of government can bond safely up to approximately 10 percent of actual cash value, it seems to me to be very unrealistic to limit a unit to 5/10 percent. It would further seem to me that such a limitation would severely hamper the public financing of needed facilities within an affected unit.

To base the limitation on bonded indebtedness on assessed valuation at the present time would be a perpetuation of the present system of inequality of taxing base in existence in our state. As previously indicated, it is my understanding that the assessment base throughout the parishes in our state range from 5 percent to 25 percent of actual cash value. If this provision is approved this would mean that some parishes in our state could only bond up to 5/10 percent of actual cash value, while in other parishes, bonds could be issued up to 2.5 percent of actual cash value, or 5 times the amount of another parish or municipality. To me this is a denial of equal protection of the laws and such a provision should not be approved by our committee. If the committee on Revenue, Finance, and Taxation passes a uniform assessment base provision for the entire state this would of course solve part of this problem.

If the presently proposed provision is approved, it would tend to encourage the present system of multiplicity of districts in order to avoid the unrealistic effect of limiting bonding capacity to 5/10 percent or 2.5 percent of actual cash value. At the present time many subordinate districts are created in units of local government to avoid the unrealistic limitation of 10 percent of assessed evaluation. A review of the provisions tentatively approved by the general drafting subcommittee will show that it has been our policy to encourage the strengthening and consolidation of powers in local governmental units to bring about greater efficiency and responsiveness. If we are to effectively have consolidation, then why hamper the unit of local government with an unrealistic bonding limitation? Would it not be more logical to set a realistic limitation which is consistent with the policies in the bonding industry? Accordingly, it is my feeling that it would be better to fix a limit for bonded indebtedness based on actual cash value rather than a percentage of assessed evaluation. For these reasons, I respectfully dissent from the proposal as approved by the subcommittee on financing.

Walter L. Lamier, Jr.
Deputy, District 55

May 24, 1973

MEMORANDUM

RE: CHANGES SUGGESTED BY WALTER LAMIER TO FINANCE PROVISIONS

1. Section 5(a)

Change line 22 - "any one purpose" to read "for all purposes"

Change line 26 - "assessed valuation" to read "fair market value as listed on the assessment roll"
Minutes of the Subcommittee on General Provisions and the Subcommittee on Finance of the Committee on Local and Parochial Government of the Constitutional Convention of 1973

Held pursuant to notice mailed by the Secretary of the Convention on June 6, 1973
Committee Room 5, State Capitol Building
Baton Rouge, Louisiana
Thursday, June 14, 1973, 2:00 p.m.

Presiding: Joseph F. Toomy, Chairman of the Subcommittee on Finance
Present: Joseph Toomy, Absent: I. Jackson Burson, Walter Lanier, Jr., Edward D'Gerolamo, Mary Tervigon, Chalin O. Perez

In the absence of Mr. Burson, chairman of the Subcommittee on General Provisions, Mr. Toomy, chairman of the Subcommittee on Finance, called the meeting to order.

Mr. Lanier offered a motion that the minutes of April 14, 1973; May 15, 1973; and May 25, 1973, and May 26, 1973, be approved. The motion carried without objection.

Mr. Perez stated that he studied the draft containing Sections 6, 7, 8, 9, 12, 13, 23, 26, and 27 carefully and recommended several changes. He explained his reasons for these amendments prior to the submission to the full committee the following day.

Mr. Chatelain questioned whether the provision on home rule would be broad enough to allow the city and parish of Lafayette to enact a home rule charter. Mr. Perez suggested the following provision be considered:

"Two or more local governmental subdivisions situated within the boundaries of one parish may avail itself of the provisions of this section provided that a majority of the voters who vote in each governmental subdivision in an election held for that purpose vote in favor thereof. The legislature shall provide for the method of appointment of a commission to prepare and propose a charter for an election for the purpose of electing such commission or the method by which the electors of more than one local governmental subdivision within the boundaries of one parish may petition for an election for such purpose."

The staff was requested to prepare a proposal on the above.

Mr. Lanier offered a motion that the subcommittee delay action on the section relative to filling of vacancies until the recommendations from the Judiciary Committee were made available. There were no objections to this motion.

Mrs. Tervigon offered a motion that the subcommittee adopt the first sentence of the provision relative to the supremacy clause and report its recommendations to the full committee the following day. The motion carried without objection.

A motion was offered by Mr. Chatelain that the subcommittee adopt Section 26, relative to Intergovernmental Cooperation, as amended by Mr. Perez, and report it to the full committee the following day. Section 26 was proposed to read as follows:

"Any political subdivision may exercise and perform any of its authorized powers and functions, including financing, jointly or in cooperation with one or more political subdivisions, either within or without the state, except as the legislature shall provide otherwise by law. The legislature shall not by general or special law require political subdivisions to exercise or perform functions jointly or in cooperation with any other political subdivision, nor shall the legislature require consolidation of governmental functions of local governmental subdivisions."

The motion carried with objection.

Having completed its work, the subcommittee adjourned at 5:00 p.m.

Joseph F. Toomy, chairman,
Subcommittee on Finance

I. Jackson Burson, chairman,
Subcommittee on General Provisions

Minutes of the Subcommittee on General Provisions and the Subcommittee on Finance of the Committee on Local and Parochial Government of the Constitutional Convention of 1973

Held pursuant to notice mailed by the Secretary of the Convention on June 18, 1973
Committee Room 1, State Capitol Building
Baton Rouge, Louisiana
Saturday, June 23, 1973, 9:00 a.m.

Presiding: I. Jackson Burson, Chairman of the Subcommittee Drafting General Provisions
Present: I. Jackson Burson, Absent: Walter Lanier, Jr., R. Gordon Kean, Mary Tervigon, Joseph Toomy
Others Present: Mayor Pete Heine, Chalin Perez, ex officio member

Mayor Heine presented his proposed Section 9 to the subcommittee, a copy of which is attached hereto and made a part of these minutes. It was discussed, but no vote was taken.

Upon the recommendation of Mr. Kean, the subcommittee adopted Section 9 to read:

"No law requiring an increase in expenditures, or deductions from the funds of a political subdivision for salaries of local public officials or for wages, hours, working conditions, pensions and retirement benefits, vacation, or sick leave benefits of political subdivision employees, or an increase in commissions or for local political subdivision offices shall have effect until approved by ordinance enacted within 30 days..."
by the governing authority of the political subdivision affected thereby, or until the legislature appropriates funds to the affected political subdivision for that purpose and then only to the extent and amount that such funds are appropriated."

Mr. Kean moved to have Section 26, the second sentence of which was referred back to the subcommittee, read as follows:

"Any political subdivision may exercise and perform any of its authorized powers and functions, including the financing, jointly or in cooperation with one or more political subdivisions, either within or without the state, except as the legislature shall provide otherwise by law, providing, however, that no law, general or special, require political subdivisions to exercise or perform functions jointly or in cooperation with any other political subdivision nor shall the legislature require consolidation of governmental functions of local governmental subdivisions, but the legislature may enact laws authorizing the consolidation of political subdivision or the joint exercise of powers and functions by political subdivision providing no such law shall become effective until submitted to and approved by a majority of the electors in each of the political subdivisions affected thereby, voting in an election called for that purpose."

Mr. Toomy moved to change "majority" to "two-thirds".

A roll call vote was taken, and the motion failed with three nays and one aye from Mr. Toomy.

The subcommittee began discussion of the definition of three terms in Section 26. The subcommittee decided to define the three terms in accord with the definitions given by the court in the LeFleur case.

The definition of "powers", previously proposed by Mr. Perez was adopted.

Mr. Perez suggested the definition of "functions" to read:

"duty in the same sense that it is complementary of the power (ability) conferred and as such means one, or obligation to execute the power granted."

This definition was adopted without objection.

The definition of "structure and organization" was adopted to read:

"the structure and organization and/or the particular distribution and redistribution of powers and functions and/or the supervision, control, and internal arrangement of the component parts of the political subdivision"

The subcommittee decided to make a recommendation to the full committee to change the order of Sections 6, 7, and 8 to 6, 8, and 7; and a stylistic change in the title of Section 7, inserting the word "other" between "of" and "local".

Upon reconvening for lunch at 1:00 p.m., Finance Subcommittee Chairman, Mr. Toomy, called the meeting to order.

The subcommittee began discussion on the "Draft of Provisions to be Considered."

The subcommittee first considered Section 1, "Parish Tax Limits". Mr. Kean moved to insert "who vote in favor thereof" in lieu of "of the parish voting" on line 1 of Section 1.

The motion carried without objection.

The staff was requested to change the phrases throughout the draft to conform with Mr. Kean's motion "who vote in favor thereof".

A motion was offered by Mr. Kean to delete the word "These" on line 15 of Section 1, and the motion carried without objection.

Mr. Kean moved to add a section, entitled Section B, to read:

"Where the millage increase is for other than general operating purposes, the proposition shall state the specific purpose or purposes for which the tax is to be levied, the length of time the tax is to remain in effect, and all proceeds of the tax shall be dedicated to the purpose or purposes set forth in the proposition."

The motion carried without objection.

Mr. Burson offered a motion to adopt the present paragraph (b) to become paragraph (c) relative to parish levying a tax on property within an incorporated city. The motion carried without objection.

The staff was requested to find out if the city of Monroe is operating under a legislative charter.

The subcommittee decided to use the language of the Law Institute's Article XI, Section 5, page 37, of the Law Institute Report, to replace the present paragraph (c) relative to withdrawal of a municipality from the parish taxing authority. This paragraph became paragraph (D).

The subcommittee began discussion on Section 2, "Municipalities Tax Limits: Increase."

The staff was requested to change "of the municipality voting" to "who vote in favor thereof".

Mr. Kean's proposed paragraph (B) was inserted as in Section 1.

Paragraph (C) was added, stating: "This section shall not apply to the city of New Orleans."

The subcommittee opened discussion of Section 3, "Special Taxes: Ratified."

Mr. Burson moved to insert the word "under" in lieu of the words "by the", and delete "under authority of" on line 14.

The motion carried.

Mr. Kean offered a motion to add the following phrase to Section 3:

"and the political subdivision is authorized to continue to levy said tax only for the purpose and duration previously authorized by law or by vote of the electors authorizing the tax."

The motion carried without objection.

Mr. Burson proposed a new Section to read:

"Notwithstanding any provision contained in Article VI, Section 3 of this constitution to the contrary, the power of taxation shall not be exercised by the legislature to levy an ad valorem tax upon any property in the state, and such power shall be exclusively vested in political subdivisions to be exercised as provided in this constitution."

He then moved to entitle the proposed section "Political..."
Subdivisions; Exclusive Authority to Levy and Collect Ad Valorem Taxes*. The motion carried without objection.

Mr. Perez asked the staff to research the possibility of drafting a section to allow local governmental subdivisions the authority to enact, with voter approval, a sales tax up to but not to exceed that levied by the state.

The subcommittee began discussion on "Provisions Referred to Finance Subcommittee of the Committee on Local and Parochial Government."

The subcommittee decided to have Section 1, relative to occupational license taxes, agree with the proposal made by Revenue, Finance and Taxation Committee.

A new section was adopted which reads as follows:

"The political subdivision shall not levy: (1) a greater occupational license tax than is imposed by the state; (2) taxes upon or measured by income or earnings, except as shall be authorized by an act passed by not less than 2/3 vote of the elected membership of the legislature."  

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Mr. Kean moved to delete the other section (previously Section 7(D)) which was referred back to the subcommittee. The motion carried without objection.

The subcommittee took no action on the levee district bond section on which action had been delayed by the whole committee.

The subcommittee adjourned at 3:30 p.m.

I. Jackson Burson, chairman
Joseph P. Toomy, chairman

Section 9. Legislation Increasing Expenditures by Political Subdivisions; Local Approval; Advisory Review Committee

Section 9. (A) No law requiring an increase in expenditures from funds of a local governmental subdivision shall have effect until approved by ordinance enacted by the governing authority of the local governmental subdivision affected thereby. When funds sufficient to meet the increased expenditure are provided by the legislature, local approval shall not be required.

(B) An Advisory Review Committee is hereby established in each local governmental subdivision, said Committee to be composed of seven (7) members, residing in the local governmental subdivision for which the Committee is established. The members of the Committee shall be selected by the parish legislative delegation, as follows: (1) One (1) member of the governing authority of the municipality who shall be temporary chairman of the Committee; (2) One (1) member of labor; (3) One (1) from the clergy; (4) One (1) from business; (5) One (1) from a profession; (6) One (1) as a representative of veterans; and (7) One (1) member from the staff of the official journal of the municipality.

The temporary chairman shall call the initial meeting of the Committee within fourteen (14) days after the appointment of all members, at which time, the Committee shall elect its permanent chairman and such other officers as it deems necessary. The members of the Committee shall serve without compensation for terms of two (2) years.

The Committee shall act in an advisory capacity and shall meet one time annually, at a time to be specified by the chairman. The Committee shall review wages, working conditions, pensions and retirement benefits, and vacation and sick leave benefits of the local governmental subdivision employees, hear and take testimony concerning same, and make recommendations to the governing authority of the local governmental subdivision with respect thereto. In the event any recommendation of the Committee requires, in the opinion of the Committee, a tax, the governing authority shall not establish, impose, or increase any tax without the recommendation of the Committee, unless the tax is a local tax for special purposes, local revenue, or such other tax as is required by law, and unless such local tax is approved by referendum.

The Committee shall submit its recommendations to the governing authority of the local governmental subdivision, and the governing authority shall consider the recommendations before taking action to establish, impose, or increase any tax.

Section 9 (D) States: "In the event any recommendation of the Committee requires, in the opinion of the Committee, a tax, the governing authority shall not establish, impose, or increase any tax without the recommendation of the Committee, unless the tax is a local tax for special purposes, local revenue, or such other tax as is required by law, and unless such local tax is approved by referendum."

Section 9. (E) States: "The Committee shall submit its recommendations to the governing authority of the local governmental subdivision, and the governing authority shall consider the recommendations before taking action to establish, impose, or increase any tax. Sections 9. (D) and (E) shall be incorporated in this act.

The Committee shall have the power and authority to subpoena witnesses and books and records for the purposes provided herein.
3. Subcommittee on Special Districts: Sewerage, Water, Levee and Other Related Districts

Subcommittee on Special Districts; Sewerage, Water, Levee, and Other Related Districts

Committee Room 204
State Capitol Building
Friday, April 27, 1973, 10:00 a.m.
Saturday, April 28, 1973, 9:00 a.m.

Presiding: Mr. Joseph Conino, chairman of the Subcommittee on Special Districts

Mr. Conino opened the meeting with a general discussion on levee boards. Mr. Shannon classified them as "independent state agencies" and explained that the seventeen levee districts in Louisiana are affected differently by federal legislation. The southern districts are within the jurisdiction of Mississippi River and Tributaries Act, but districts north of Boyce are covered by the Emergency Flood Control Act.

Mr. Shannon approved the general ideas for a constitutional provision on levee districts suggested on page six of the February 27, 1973 minutes of the Joint Legislative Committee on the Reorganization of Levee Districts. He argued, however, that the voters in a levee district should vote upon any consolidation plan which would merge the district into parish government. The subcommittee agreed, and the members voted to include "and of the majority of the voters of such district between "parish" and "who" on line 4 of section 2 of the proposed provision.

The subcommittee postponed further discussion on levee districts until it could hear from Mr. Perez on the following morning.

For the remainder of the meeting, the members discussed assigned provisions in Article VI, Article XIV, and Article XV of the Constitution of 1921.

They suggested deletion of Article VI, Section 11(1) (Mosquito Abatement Districts); Article XIV, Section 3(b) (East Baton Rouge Recreation and Park Commission); and Article XIV, Section 34 (Garbage Districts).

They suggested deletion of the following sections of Article XIV in coordination with the Subcommittee on Revenue and Taxation:

Section 35 (Fourth Jefferson Drainage District; bond issue)
Section 36 (Jefferson Parish Community Center & Playground Districts; bonds)
Section 37(1) (Jefferson Parish Sub-Sewerage Districts)
Section 38 (Jefferson Parish Public Improvement Districts)
Section 38(1) (St. Charles Parish Reclamation Projects and Public Improvement Districts)

Section 43 (Jefferson Parish Consolidated Drainage Districts; bonds; taxation)

The committee recessed for lunch at 12:10 p.m.

In discussing Article XV, the subcommittee considered combining and broadening Sections 1 and 2 into a general provision authorizing the creation of public improvement districts, drainage districts, garbage districts, reclamation districts, and fresh water districts. Such a provision would also protect the outstanding bonds of special districts slated for deletion from the constitution.

The subcommittee deferred action until the following morning on Sections 3 and 4 of Article XV and directed the staff to research possible obstacles to the statutory continuation of the Bayou Lafourche Fresh Water District and the Talt Lake Water Conservation District.

There being no further discussion, the meeting adjourned at 3:30 p.m. until 10:00 a.m. the following day.

April 28, 1973

Mr. Conino called upon Mr. Perez, who explained the necessity of coordination between levee districts and local officials. The members then discussed the methods of selecting levee board members and the means to assure fair compensation of property owners whose land is appropriated by a district. Mr. Perez volunteered to draft a provision that would grant land owners whose holdings were "substantially destroyed" fair market value for appropriated property.

The subcommittee voted to delete from the constitution Sections 3 and 4 of Article XV. Mr. Perez also suggested that as the legislature may act on all matters not prohibited by the constitution, a general provision authorizing the creation of special districts and the protection of their bonds is perhaps unnecessary.

The subcommittee directed the staff to determine whether the reclamation powers of the city of Lake Charles would be endangered by the removal of Sections 39, 39(1), 44, and 44(1) of Article XIV. The staff was also directed to research the ability of the Stadium and Exposition District to refund its bonds if Section 47 of Article XIV were deleted.
Having discussed all assigned sections of the constitution, the subcommittee adjourned at 12:00 noon.

Joseph A. Conino, Chairman

14

MINUTES

Minutes of the Subcommittee on Special Districts; Sewerage, Water, Levee, and Other Related Districts of the Committee on Local and Parochial Government of the Constitutional Convention of 1973

Held pursuant to notice mailed by the Secretary of the Convention on May 3, 1973

State Education Building, Room 410
Baton Rouge, Louisiana
Tuesday, May 15, 1973, 9:00 a.m.

Presiding: Joseph Conino, Chairman of the Subcommittee on Special Districts; Sewerage, Water, Levee, and Other Related Districts

Present: Joseph Conino
V. C. Shannon
Pete Heine

Absent: H. M. Fowler
J. E. Stephenson

The minutes of the previous meeting were read and amended to show J. E. Stephenson present on Saturday.

Discussion began on Article XIV. It was moved that Article XIV, Section 47, be deleted from the constitution and placed in the statutes. The motion carried without objection.

Discussion was deferred on Article XIV, Sections 39, 39.1, 44, and 44.1 until further research could be made available.

Mr. Perez presented a proposed rough draft of Article XVI. Section 2(a) was tentatively approved.

In Section 2(b) on line six, after "district" the subcommittee omitted from "in" to "mills." After "annually," they omitted from "for" to "year."

In Section 2(c) they deleted "for that purpose" and substituted "in the manner provided in Article, Section, of this constitution."

Section 3, 4, and 5, should be retained.

Section 6 should be changed so that on line eight, "and improvements" was added after "property."

The draft submitted by Mr. Perez omitted Article XVI, Sections 7, 8, and 8(a).

Mr. Fred Benton, Jr., was present at the meeting and stated he would do research concerning the reclamation of Lake Charles by local authorities.

The committee recessed at 12:10 p.m. for lunch.

After lunch, a quorum was not present, so informal discussion was held concerning the Dome Stadium, levee districts and the Calcasieu Parish playground district.

The meeting was adjourned at 3:45 p.m.

ARTICLE XVI

LEVEES

Sec.
1. Levee districts.
2. District taxes; Orleans levee district tax.
4. Interstate districts.
6. Compensation for property used or destroyed; tax.

§ 1. Levee districts.

Section 1. Levee districts as now organized and constituted shall continue to exist except that:

1. The Legislature may provide for the consolidation, division or reorganization of existing levee districts or create new levee districts provided that the members of the board of commissioner of such districts shall be appointed or elected from residents of such district.

2. Any levee district whose flood control responsibilities are limited to and which is situated entirely within the boundaries of one parish may be merged and consolidated into such parish under the terms and conditions and in the manner provided in Article, Section, of this Constitution. This provision shall be self-operative.

No action taken hereunder shall impair the obligation of any outstanding bonded indebtedness or of any other contract of such levee district.

§ 2. District taxes; Orleans Levee District tax and refunding bonds; increase in tax to raise additional funds.

Section 1. (a) For the purpose of constructing and maintaining levees, levee drainage, and for all other purposes incidental thereto, the levee district of each district, with the exception of the board of levee Commissioners of the Orleans Levee District, may levy annually a tax not to exceed five (5) mills on the dollar on all taxable property situated within the alluvial portions of said district subject to overflow.

(b) For the purposes of constructing and maintaining levees, levee drainage, flood protection, land reclamation, and all other incidental purposes, and the payment of existing and future indebtedness, and the payment of bonds and certificates, issued and to be issued, and the satisfaction of any other legal obligations incurred and to be incurred in exercise of any power and authority vested in the board of levee commissioners of the Orleans Levee District by the constitution and laws of Louisiana, the board of levee commissioners of the Orleans Levee District, in lieu of the previous annual.

[124]
§ 6. Compensation for property used or destroyed, tax

Section 6. Lands and improvements thereon hereafter actually used or destroyed for levees or levee drainage purposes shall be paid for at a price not to exceed the assessed value for the preceding year, provided, that this shall not apply to building, nor to property the control of which is vested in the State or any subdivision thereof for the purpose of commerce; and provided, further, that if property used or destroyed for levees or levee drainage purposes from any landowner shall exceed one and one-half mills on the value of that landowner's property, the land and improvements thereon shall be paid for at fair market value.

If the district has no other funds or resources out of which such payment can be made, it may levy, on all taxable property situated therein, a tax sufficient to pay for said property so taken, to be used solely in the district where collected. This shall not prevent the appropriation of said property before payment.

§ 1. Levee districts.

Section 1. Levee districts as now organized and constituted shall continue to exist except that:

1. The Legislature may provide for the consolidation, division or reorganization of existing levee districts or create new levee districts provided that the members of the board of commissioners of such districts shall be appointed or elected from residents of such district.

2. Any levee district whose flood control responsibilities are limited to and which is situated entirely within the boundaries of one parish may be merged and consolidated into such parish under the terms and conditions and in the manner provided in Article ___, Section ___ of this Constitution. This provision shall be self-operative.

No action taken hereunder shall impair the obligation of any outstanding bonded indebtedness or of any other contract of such levee district.

§ 2. District taxes. Orleans Levee District tax and refunding bonds. Increase in tax to raise additional funds

Section 2. (a) For the purpose of constructing and maintaining levees, levee drainage, and for all other purposes incidental thereto, the governing authority of each district, with the exception of the Board of Levee Commissioners of the Orleans Levee District, may levy annually a tax not to exceed five (5) mills on the dollar on all taxable property situated within the alluvial portions of said district subject to overflow.

(b) For the purpose of constructing and maintaining levees, levee drainage, flood protection, land reclamation, and all other incidental purposes, and the payment of existing and future indebtedness, and the payment of bonds and certificates, issued and to be issued, and the satisfaction of any other legal obligations incurred and to be incurred in exercise of any power and authority vested in the board of levee commissioners of the Orleans Levee District by the constitution and laws of Louisiana, the board of levee commissioners of the Orleans Levee District, in lieu of the previous annual tax not to exceed three (3) mills, may levy annually for the year 1963, and each later year, a tax not to exceed two and one-half mills on the dollar on all taxable property situated within the Parish of Orleans. Nothing herein shall affect or impair any existing rights of holders of bonds or other obligations of the Board of Levee Commissioners of the Orleans Levee District.

(c) Should the necessity arise in any levee district to raise additional funds for any of the purposes herein set forth, the tax herein authorized may be increased when the rate of such increase and the necessity therefor shall
have been submitted to and voted for at an election called for that purpose.


§ 3. Bond issues.

Section 3. Subject to the approval of the State Bond Commission or any successor thereto, the governing body of any levee district may fund the annual assessed property taxes or other revenue into bonds or other evidences of indebtedness proceeds thereof to be used for the purposes mentioned in this Article; or for the funding or payment of any outstanding indebtedness.

Bonds issued under the authority of the foregoing provision shall be sold at not less than par and accrued interest.

§ 4. Interstate districts

Section 4. The Legislature, with the concurrence of any adjoining State, may create levee districts composed of territory partly in each State, and may authorize the construction and maintenance of levees wholly within another State.

§ 5. Cooperation with Federal government

Section 5. All governing authorities of districts which have been, or may be created, are authorized to co-operate with the Federal Government in the construction and maintenance of the levees in this State, on such terms and conditions as may be provided by the Federal authorities and accepted by the State authorities.

§ 6. Compensation for property used or destroyed; tax

Section 6. Lands and improvements thereon hereafter actually used or destroyed for levees or levee drainage purposes shall be paid for at a price not to exceed the assessed value for the preceding year, provided, that this shall not apply to irrigation or to property the control of which is vested in the State or any subdivision thereof for the purpose of commerce, and provided, further, that if property used or destroyed for levees or levee drainage purposes from any landowner shall exceed more than one-half the value of such landowner's property the land and improvements thereof shall be paid for at fair market value.

If the district has no other funds or resources out of which such payment can be made, it may levy, on all taxable property situated therein, a tax sufficient to pay for said property so taken, to be used solely in the district where collected. This shall not prevent the appropriation of said property before payment.

MINUTES

Minutes of the Subcommittee on Special Districts:

Sewerage, Water, Levee, and Other Related Districts
of the Committee on Local and Parochial Government
of the Constitutional Convention of 1973

 Held pursuant to notice mailed by the Secretary of the Convention on June 7, 1973
Senate Lounge, State Capitol Building
Baton Rouge, Louisiana
Friday, June 15, 1973, 10:00 a.m.

Present: Joseph Conino, chairman of the Subcommittee on Special Districts: Sewerage, Water, Levee, and Other Related Districts

Absent: H. M. Fowler

Mr. Perez submitted various amendments to the proposal prepared by the subcommittee. Several changes were made in the proposal, and a copy of the final draft by the subcommittee is attached hereto and made a part of these minutes.

Mr. Shannon offered a motion to delete Article XIV, Sections 39, 39.1, 44, 44.1, relative to Lake Charles and Calcasieu Reclamation and Playground Districts from the constitution and place them in the statutes. The motion carried without objection.

Having completed its work, the Subcommittee on Special Districts adjourned at 11:00 a.m.

Joseph Conino, chairman

CC-
1 Constitutional Convention of Louisiana of 1973
2 SUBCOMMITTEE PROPOSAL NUMBER
3 Introduced by
4 A PROPOSAL
5 Relative to levee districts.
6 PROPOSED SECTIONS:
7
8 Section 1. Levee Districts
9 Section 1. (A) Levee districts as now organized and constituted shall continue to exist except that (1) the legislature may provide for the consolidation, division or reorganization of existing levee districts or create new levee districts provided that the members of the boards of commissioners of such districts shall be appointed or elected from residents of such district; (2) any levee district whose flood control responsibilities are limited to and which is situated entirely within the boundaries of one parish may be merged and consolidated into such parish under the terms and conditions and in the manner provided in Article, Section of this constitution. This provision shall be self-operative.
10 (B) No action taken hereunder shall impair the obligation of any outstanding bonded indebtedness or of any other contract of such levee district.
11
12 Source: New
13
14 Comment: Paragraph (A) provides for the maintenance of levee districts as now organized. It allows the legislature to reorganize and create districts provided that the boards of commissioners are residents of such districts. It provides for the merger of a single-parish district into a parish government.
15 Paragraph (B) forbids the impairment of contracts of any district.
Section 2. District Taxes; Orleans Levee District

Tax and Refunding Bonds; Increase in Tax to Raise Additional Funds

Section 2. (A) For the purpose of constructing and maintaining levees, levee drainage, and for all other purposes incidental thereto, the governing authority of each district, with the exception of the Board of Levee Commissioners of the Orleans Levee District, may levy annually a tax not to exceed five mills on the dollar on all taxable property situated within the alluvial portions of said district subject to overflow.

(B) For the purposes of constructing and maintaining levees, levee drainage, flood protection, land reclamation, and all other incidental purposes, and the payment of existing and future indebtedness, and the payment of bonds and certificates, issued and to be issued, and the satisfaction of any other legal obligations incurred and to be incurred in exercise of any power and authority vested in the Board of Levee Commissioners of the Orleans Levee District by the constitution and laws of Louisiana, the Board of Levee Commissioners of the Orleans Levee District may levy annually a tax not to exceed two and one-half mills on the dollar on all taxable property situated within the parish of Orleans. Nothing herein shall affect or impair any existing rights of holders of bonds or other obligations of the Board of Levee Commissioners of the Orleans Levee District.

(C) Should the necessity arise in any levee district to raise additional funds for any of the purposes herein set forth, the tax herein authorized may be increased when the rate of such increase and the necessity therefor shall have been submitted to and voted for at an election called in the manner provided in Article ___ , Section ____.


Comment: Paragraph (A) is verbatim with the source provision. Paragraph (B) repeats the source with modernization of text. Paragraph (C) repeats the source provision and implies the creation of an election procedure in another section.

Section 3. Bond Issues

Section 3. (A) Subject to the approval of the State Bond Commission or any successor thereto, the governing body of any levee district may fund the avails of said taxes or other revenues into bonds, or other evidences of indebtedness, the proceeds thereof to be used for the purposes mentioned in this Article or for the funding or payment of any outstanding indebtedness.

(B) Bonds issued under the authority of the foregoing provision shall be sold at not less than par and accrued interest.


Comment: The source provision requires the legislature to authorize the funding of bonds.

Paragraph (A) of this proposed provision allows the governing body of a levee district to fund bonds with the approval of the State Bond Commission or any successor thereto.

Paragraph (B) deletes the limitation in the source provision on the percentage of annual interest possible from bonds issued.

Section 4. Interstate Districts

Section 4. The legislature, with the concurrence of an adjoining state, may create levee districts composed of territory partly in each state, and may authorize the construction and maintenance of levees wholly within another state.


Comment: Verbatim with source provision.

Section 5. Cooperation With Federal Government

Section 5. All governing authorities of districts which have been, or may be created, are authorized to cooperate with the federal government in the construction and maintenance of the levees in this state, on such terms and conditions as may be provided by the federal authorities and accepted by the state authorities.


Comment: Verbatim with source provision.

Section 6. Compensation for Property Used or Destroyed:

Tax

Section 6. (A) Lands and improvements thereon hereafter actually used or destroyed for levees or levee drainage purposes shall be paid for at a price not to exceed the assessed value for the preceding year; provided, that this shall not apply to batture, nor to property the control of which is vested in the state or any subdivision thereof for the purpose of commerce; and provided, further, that if property used or destroyed for levees or levee drainage purposes from any landowner shall exceed more than one-third the value of that landowner's property and improvements, the land and improvements thereon shall be paid for at fair market value.
If the district has no other funds or resources
out of which such payment can be made, it may levy.

on all taxable property situated therein, a tax sufficient
to pay for said property so taken, to be used solely in
the district where collected. This shall not prevent the
appropriation of said property before payment.


Comment: Paragraph (A) repeats the source provision with
two exceptions: 1) it deletes provisions relative to
acquisition of property in and replacement of streets
in municipalities of one hundred thousand population;
2) it adds a provision requiring the reimbursement, at
full market value, of a landowner when the property and
improvements used or destroyed by a levee district
exceeds one-third the value of that landowner’s property
and improvements.

Paragraph (B) deletes provisions relative to the re-
location and restoration of streets and highways in
municipalities of one hundred thousand population.

1 Constitutional Convention of Louisiana of 1973

2 SUBCOMMITTEE PROPOSAL NUMBER

3 Introduced by Delegate Conino on behalf of the Subcommittee

4 on Special Districts; Sewerage, Water, Levees, and Other
5 Related Districts

6 A PROPOSAL

7 Relative to Special Districts

8 PROPOSED SECTIONS:

9 Article ___, Section ___, Special Districts
10
11 Section ___, The legislature may only amend, modify,
or change the powers, functions, structure, and organiza-
tion of the following special districts or special districts
created under the authority of the constitutional provision
cited therewith, by act passed by at least a two-thirds
vote of the elected membership of each house of the

12 legislature:

13 (1) East Baton Rouge Park and Recreation Commission

[Art. XIV, §3(b) ]

(2) Garbage Districts (Art. XIV, §34)

(3) Fourth Jefferson Drainage District (Art. XIV, §35)

(4) Jefferson Parish Community Center and Playground
Districts (Art. XIV, §36)

(5) Jefferson Parish Sub-Sewerage Districts (Art. XIV,
§37.1)

(6) Jefferson Parish Public Improvement Districts
(Art. XIV, §38)

(7) St. Charles Parish Reclamation Projects by Public
Improvement Districts (Art. XIV, §38.1)

(8) City of Lake Charles Reclamation and Development
of Lake Front (Art. XIV, §39)

(9) Calcasieu Parish Community Center and Playground
Districts (Art. XIV, §39.1)

(10) Jefferson Parish Consolidated Drainage Districts
(Art. XIV, §43)

(11) City of Lake Charles Reclamation and Development
of Lake Bed and Waterfront (Art. XIV, §44)

(12) City of Lake Charles Reclamation and Development
of Lake Front (Art. XIV, §44.1)

(13) Louisiana Stadium and Exposition District (Art. XIV, §47)

(14) Authorization (Art. XV, §1)

(15) Existing Laws Continued (Art. XV, §2)

(16) Bayou Lafourche Fresh Water District (Art. XV, §3)

(17) Iatt Lake Water Conservation District (Art. XV, §4)

(18) Orleans Levee District Board of Commissioners (Art. XVI,
§7)

(19) Ponchartrain Levee District Commissioners (Art. XVI, §8)

(20) Ponchartrain Levee District [Art. XVI, §8(c)]
4. Subcommittee on Special Districts: Transportation, Ports and Harbors

Subcommittee on Special Districts and Transportation, Ports, and Harbors
Committee Room 206, State Capitol
April 27, 1973

Presiding: Terry R. Reeves, Chairman of the Subcommittee

The committee discussed Article VI, §17, dealing with the Port of New Orleans. The committee members agreed that there were many inequities in the manner in which the Port was set up and maintained, and that something must be done to correct those inequities. Further consideration of Article VI, §17, was deferred until such time as the New Orleans Port Commission had made its recommendations, and Dr. Ullo had prepared the recommendations from Jefferson Parish. Mr. Cannon asked the research staff to compile a list of references in the constitution pertaining to the Port of New Orleans which had expired or become outdated.

During the discussion of Article VI, Section 24, dealing with the financing of the Chef Menteur and Hammond Highways, it was pointed out that this same provision was incorporated in the Acts of 1918. Mr. Chatelain moved to delete this section from the constitution since it is not necessary to have it in both the constitution and acts of the legislature. There being no objections, the motion passed.

Article VI, Section 24.1, dealing with auto license tax for the Chef Menteur and New Orleans Hammond Highways, Mr. Hayes offered a motion to delete this section. With no objections, the motion passed.

5

After a brief discussion of Article VI, Section 27, which dealt with Lake Pontchartrain and the sale of submerged lands, Mr. Chatelain moved to delete the section. The motion passed unanimously.

Article VI, Sections 29 through 29.4, dealing with the creation of the Baton Rouge Port Commission was discussed next. Since the Baton Rouge Port Commission had not made its recommendations yet, the committee deferred consideration of this section until a later time.

Article VI, Section 31, dealt with the creation of the Greater Ouachita Port Commission. Mr. Chatelain moved to delete this section from the constitution. Mr. Hayes objected to this motion. He felt that this port commission had just as much right to stay in the constitution as did the New Orleans and Baton Rouge Port Commissions. Mr. Reeves pointed out that the purpose of leaving New and Baton Rouge Port Commissions for the time being was not for the purpose of keeping them in the constitution, but because the committee had not heard their recommendations. After a lengthy discussion, Mr. Chatelain withdrew his motion and the committee deferred consideration of this section.

Mr. Cannon asked the research staff to determine whether or not this commission was created in the statutes.

The committee discussed Article XIV, Section 6, dealing with parishes acquiring property for navigation canals. Mr. Carriere pointed out that the Law Institute recommended deleting this section because it is substantially duplicated in the statutes. (R.S. 34:361) Mr. Hayes offered a motion to delete the section and place it in the statutes where it is now. With no objections, the motion passed.

There was discussion on Article XIV, Section 31.6, dealing with the Moisant Airport. The committee decided to invite Mr. Kelly Nix to speak to the committee on the regional concepts of aviation. Further consideration of this section was deferred until more information was made available to the committee.

In relation to Article XIV, Section 45, it was pointed out that Louisiana and Texas have an agreement pertaining to this section which deals with the Sabine River Authority. The committee recommended getting the attorney general's opinion on how the placing of this provision in the statutes would adversely affect the agreement between Louisiana and Texas. The committee also instructed the staff to determine if Texas included a provision for the Sabine River Authority in its constitution. Mr. Carriere pointed out that the Law Institute recommends deleting this section.

Mr. Carriere told the committee that the Law Institute recommends deleting Article XIV, Section 30-30.5. Mr. Hayes moved to delete Section 30.3, dealing with the creation and authorities of navigation and river improvement districts, with the predication that Section 18 of the Law Institute's recommendations be accepted. There being no objections, the motion passed. Dr. Ullo offered a motion to delete Section 30.4 from the constitution, with no objections, the motion passed.

Chairman Reeves temporarily stepped down as chairman and Mr. Chatelain acted as chairman. Mr. Reeves offered a motion to delete Article XIV, Section 30.5 dealing with the Red River Authority from the constitution and place it in the statutes. There being no objections, the motion
passed. Chairman Chatelain turned the chairmanship back to Mr. Reeves. The committee made no definite decision on Article XIV, Sections 30, 30.1, and 30.2.

Chairman Reeves recessed the meeting at 4:10 p.m.

April 28, 1973

Chairman Reeves called the meeting to order at 9:00 a.m. With everyone present, the meeting proceeded.

Chairman Reeves presented the committee members with a copy of the recommendation submitted by the Board of Orleans Port Commission and suggested that everyone read it carefully. It is attached hereto and made a part of these minutes as Appendix I. Discussion on the proposal was deferred until the next meeting which the committee set for Saturday, May 5, 1973.

Mr. Carriere, research assistant, gave the committee a report which listed the constitutional provisions which are repeated verbatim in the statutes or repeated in substance. His report is attached hereto and made a part of the minutes as Appendix II.

The committee discussed Article VI, Section 32, dealing with the Caddo-Bossier Parishes Port Commission. Chairman Reeves told the committee that he talked with Mr. Shannon, a representative from the Caddo-Bossier area, and Mr. Shannon did not feel that the people of this area wanted this section to remain in the constitution. Mr. Chatelain offered a motion to delete Article VI, Section 32 from the constitution and place it in the statutes; with no objections, the motion passed.

Mr. Carriere pointed out that Article VI, Section 35, which creates the Avoyelles Parish Port Commission was verbatim in the statutes; and Dr. Ullo moved to delete it from the constitution, and leave it in the statutes. There being no objections, the motion passed.

After a short discussion, Mr. Cannon offered a motion to delete Article VI, Section 36.1, which dealt with the Rapides Parish Port Commission. With no objections, the motion passed.

Chairman Reeves read a letter from the Lake Providence Port Commission in relation to Article VI, Section 33. The letter is attached hereto and made a part of these minutes as Appendix III. Mr. Chatelain offered a motion to delete Article VI, Section 33 from the constitution and place it verbatim in the statutes where it presently is (34:1501-1506) (34:1507). The motion passed unanimously.

Mr. Haynes moved to delete Article VI, Section 34 which creates the Concordia Parish Port Commission from the constitution and place it in the statutes where it presently is (R.S. 34:1851-1857). There being no objections, the motion passed.

Dr. Ullo offered a motion to delete Article VI, Section 33.1 which creates the South Louisiana Port Commission from the constitution and place it verbatim in the statutes. With no objections, the motion passed.

Mr. Cannon moved to delete Article VI, Section 31 which creates the Greater Ouachita Port Commission from the constitution and place it verbatim in the statutes. The motion passed unanimously.

Chairman Reeves read a letter pertaining to the Lake Charles Port Commission which is attached hereto and made a part of these minutes as Appendix IV. Mr. Chatelain pointed out the importance of the port, and said that it is the third major port in Louisiana. The committee deferred consideration of this section for the time being.

Chairman Reeves reviewed what the committee had done so far. Mr. Carriere told the committee that in regard to Article VI, Section 45 which dealt with the Sabine River Authority, that a cursory examination of the Texas State Constitution showed that there is no mention of the Sabine River Authority in that constitution. The committee asked for a more detailed study of the Texas Constitution to determine, if in fact, there was any mention of the Sabine River Authority.

Discussion was started on the proposal sent by the Board of the Port of New Orleans. Chairman Reeves suggested that the discussion be held until the next meeting.

Chairman Reeves adjourned the meeting at 12:35 p.m.

April 27, 1973

Mr. Terry R. Reeves
Chairman
Subcommittee on Special Transportation Departments
Committee on Local and Parish School
Government Constitutional Committee 1973
Baton Rouge, Louisiana

Dear Mr. Reeves:

Enclosed is a copy of the present constitutional provisions relating to the Board of Commissioners of the Port of New Orleans, on which you will note that we have recommended deletions, and/or transfers to the Revised Statutes, as well as recommendations for clarification and retention of certain portions in the proposed Constitution, all as more particularly indicated in the margin notes.
Those sections which we have indicated to be retained in the Constitution and blocked for emphasis are, in our opinion, essential for the continued operation and growth of the commerce of this Port and for maintaining its status as the second port in the nation in competition with all ports in the coastal ranges of North America.

It is our belief that the powers and authorities, particularly those relating to the organization and structure of the Port, blocked herein, have been a major key in assisting this Port to expand at a rate exceeding that of the national average and, in fact, become the largest port in the Gulf and second only to New York in the United States.

I am sending copies of this letter to all members of your subcommittee and twenty extra copies are also enclosed for your use.

Members of my staff and I will be available to answer any questions concerning our recommendations should you so desire.

Very truly yours,

Edward S. Reed
Executive Port Director
and General Manager

EDGCO
emcees

cc: Messrs. Cannon, Casulio, Hayes, Ull

BOARDS OF COMMISSIONERS OF THE PORT OF NEW ORLEANS
POST OFFICE BOX 5004
NEW ORLEANS, LOUISIANA 70130

Constitution of Louisiana of 1921

Article 7: Section 77

POWERS AND AUTHORITY; TERRITORIAL LIMITS

The Board of Commissioners of the Port of New Orleans shall have the authority to do all things necessary to promote and regulate the commerce and traffic of the port, and shall have the power to provide and administer all facilities which are necessary to the above purposes, including but not limited to, the building, maintenance and operation of public wharves and other facilities which are port connected, without limiting or detracting from the powers of the Board of Commissioners of the Port of New Orleans now conferred by the Constitution or by this Constitution, the Board of Commissioners of the Port of New Orleans shall have full power to acquire by purchase, sale, lease, exchange, or otherwise, any property deemed necessary by said Board for the commerce or other public purposes of the port and to lease, sell, exchange, or otherwise dispose of any such property, including, without limitation, any wharf, building, equipment, structures, or facilities of any nature whatever.

The Board shall exercise all such powers and authority within the territorial limits of the Port of New Orleans, with the consent of the Governor and St. Bernard Parish, Appointments of Commissioners of the Port of New Orleans shall be made by the Governor and shall fill vacancies in the Board, and shall otherwise possess the qualifications provided by law.

Upon the adoption of this amendment, the number of the members of the Board of Commissioners of the Port of New Orleans shall be increased from seven to nine, so that no one member shall be named by any one political organization.

The Board of Commissioners of the Port of New Orleans shall be appointed by the Governor, who shall appoint an equal number of members from each political organization, and who shall select the names of those members to be named by the Governor from the list of nominees submitted to the Governor by the Governor, after the Governor has discharged the duties of the Governor of the State within fifteen days after receipt by him of the list of nominees submitted to him in the following manner.

To be retained in Constitution.

Be retained in Constitution.

MCC OAS

Constitution of Louisiana of 1921

Article 7: Section 77

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To be retained in Constitution.

MCC OAS

Constitution of Louisiana of 1921

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To be retained in Constitution.

MCC OAS
among the nominees, thus certified the Governor shall make appointments to fill the vacancy or vacancies.

(e) Nominating organizations; identity.

The seven organizations referred to in paragraph (d) above shall be understood and construed to be the seven organizations presently existing by the designated names of their respective legal successors.

(f) Dissolution of nominating organizations; effect.

If any one or more of the seven organizations referred to in paragraph (e) above shall cease to exist or to function, without any legal successor, then the nominees shall be submitted to the Nominating Council, as provided by paragraph (a) above, to fill vacancies as provided in Paragraph (e) above.

(3) Minimum number of appointments.

In the event that said seven organizations or their successors on the remainder of them, shall, at any time prior to the expiration of the term of any member of the Board, or the occurrence of a vacancy on the Board from any other cause, the Governor shall have the right and it shall be his duty to proceed forthwith to make an appointment to fill such vacancy.

Term of appointment; filling unexpired term; reappointment.

Any succeeding member appointed to fill the term of a member leaving the Board, before the expiration of the term to which he shall have been appointed, shall be appointed to fill the unexpired term of such retiring or deceased member. All members appointed to the Board shall be appointed for a term of five years. No member of said Board shall be eligible to succeed himself unless the unexpired term which he will have been appointed to fill has less than two years to run.

Service until successor qualified.

Members shall continue to serve until their successors have been appointed and duly qualified.

Incompatible offices.

No member of said Board shall hold any office in any political party or other political organization, nor shall he hold any public office or employment for compensation, existing under or created by the laws of the United States, the State of Louisiana, or any municipality or subdivision thereof.

Confirmation; removal.

Any and all appointments of members of the Board of Commissioners of the Port of New Orleans shall be made by the Governor as heretofore provided without the advice or consent of the Senate, or confirmation by the Senate. No member of said Board shall be appointed who has not been appointed to the Board of Commissioners of the Port of New Orleans by the Governor, nor shall any member of said Board be appointed without the advice or consent of the Governor, nor shall any member of said Board be appointed by the Governor without the advice of the Senate, or confirmation by the Senate. No member of said Board shall be removed except for cause, as hereinafter provided, by the Governor, with the advice and consent of the Senate, or by the Governor, with the advice of a majority of the Senate.

If a member of the Board dies in office or is removed for cause, the Board shall meet and fill the vacancy in such manner as may be prescribed by the Governor. The Governor shall fill any vacancy.

The Board of Commissioners of the Port of New Orleans, by the Governor, shall have power to employ and compensate the legal, executive, engineering, technical and other departments and forces of said Board, and to fix the duties, powers and compensation of all officers, agents, employees, and employees on shore departments excepting, however, such civil service requirements as may be established by State law.

The Board of Commissioners of the Port of New Orleans shall have power to acquire, by purchase, the title to any and all public lands or water frontage under the waters of the principal inland waterways, and to fix the duties, powers and compensation of all officers, agents, employees, and employees on shore departments excepting, however, such civil service requirements as may be established by State law.

TO BE RETAINED IN CONSTITUTION.

Consolidation and certification of existing powers.

To be retained in Constitution.

TO BE RETAINED IN CONSTITUTION.

Manorial powers.

The Board of Commissioners of the Port of New Orleans shall have power to authorize, organize the legal, executive, engineering, technical and other departments and forces of said Board, and to fix the duties, powers and compensation of all officers, agents, employees, and employees on shore departments excepting, however, such civil service requirements as may be established by State law.

The constitutional amendment shall be self-executed and shall not require any constitutional amendment.

ARTICLE VI, SECTION 14.

POWERS: BORROWING—LIMIT OR BOND ISSUANCE—NAVIGATION—DAM.

Section 16.

Powers and authorities.

The Board of Commissioners of the Port of New Orleans shall have power to authorize, organize the legal, executive, engineering, technical and other departments and forces of said Board, and to fix the duties, powers and compensation of all officers, agents, employees, and employees on shore departments excepting, however, such civil service requirements as may be established by State law.

The constitutional amendment shall be self-executed and shall not require any constitutional amendment.
Article 24 of 1914 that provided for the Constitution and- and the maintenance and operation of the Board of Equalization on bonds- shall be exempt from the payment of ad valorem wealth and estate taxes.

Note: The full text of the amendments and the related legislation is provided in the original source material for further reference.

Deletions:

Deleted.

The amendment shall be read and the vote shall be taken and the vote shall be recorded in the minutes of the Board of Equalization on bonds.

The amendment shall be included in the minutes of the Board of Equalization on bonds for the purpose of reviewing and adopting the minutes of the Board of Equalization on bonds.

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ARTICLE VI. SECTION 101.
POWERS OF COMMISSIONERS-OF-PARKS HANDS ON OUTER MARINER NAVIGATION-BAR
Section 101:
The Board of Commissioners of the Port of New Orleans shall, except as otherwise herein charged and amended, have and exert the powers now conferred by the Constitution or as otherwise herein established, for the Navigation and Commerce in the Mississippi River and Lake

ARTICLE VI. SECTIONS 106-101, 104, 105.
AUTHORITY TO ORGANIZE INDUSTRIAL DISTRICTS AND INCIDENTAL POWERS.
Section 106: Organization of industrial districts.
The Board of Commissioners of the Port of New Orleans hereby authorized to create and designate industrial districts in connection with the operation by the Board of Commissioners of the Port of New Orleans of the Harbor Navigation Fund in the City of New Orleans, and in addition thereto, the said Board shall have full power to issue for manufacturing and commercial purposes necessary bonds for the Massachusetts and other local funds and provide thereunder and to provide for the issue of such bonds. The said Board shall be made a part of the said Board and may determine thereunder.

ARTICLE VI. SECTIONS 106-101, 104, 105.
AUTHORITY TO ORGANIZE INDUSTRIAL DISTRICTS AND INCIDENTAL POWERS.
Section 107: Continuation of authority.
That the existing and new powers of the Board of Commissioners of the Port of New Orleans and the said Board and may exercise thereunder the same and is in effect. The authority

ARTICLE VI. SECTION 109.
DEBT LIMITATION BOARD OF COMMISSIONERS-OF-PARKS OF NEW ORLEANS
Section 109: Debt Limitation.
The Board of Commissioners of the Port of New Orleans shall have and exercise all power now conferred by the Constitution and or otherwise hereunder on the Board of Commissioners of the Port of New Orleans, for all purposes, including the enforcement of the power of the Constitution of the lower Harbot Navigation Trust and that the sum of Fifty Million Dollars ($50,000,000).

ARTICLE VI. SECTIONS 106-101, 104, 105.
AUTHORITY TO ORGANIZE INDUSTRIAL DISTRICTS AND INCIDENTAL POWERS.
Section 108: The Board of Commissioners of the Port of New Orleans shall, except as otherwise herein charged and amended, have and exert the powers now conferred by the Constitution or as otherwise herein established, for the Navigation and Commerce in the Mississippi River and Lake.
The Board of Commissioners of the Port of New Orleans has been established by the General Highways and Terminal District shall have the same responsibility for the payment of these bonds and interest thereon as for the payment of said bonds and interest thereon. The Board of Commissioners of the Port of New Orleans shall be responsible for the payment of these bonds and interest thereon.

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ARTICLE XIV, SECTION 30

IMPROVEMENTS BY RIPARIAN OWNERS IN CITIES OVER 5,000 OR WITHIN PORT OF NEW ORLEANS: EXPROPRIATION; JUST COMPENSATION.

Section 30. (a) Riparian owners of property on navigable rivers, lakes or streams within the limits of the port of New Orleans or within a municipality having a population in excess of five thousand (5,000) inhabitants, shall have the right to erect and maintain on the banks or banks owned by them, such wharves, buildings or improvements, as may be required for the purposes of commerce, navigation or other public purposes; provided, however, that where such owners have first obtained the consent of the governing authority of the port of New Orleans, or of the municipality as the case may be, to erect such wharves, buildings or improvements, and are erected in conformity to plans and specifications that have been approved by such governing authority, such owners shall be entitled to claim just compensation for, and the said governing authority may, in such cases, decide, on their own initiative, or on petition, to approve or disapprove improvements of any slate, and to make such improvements as they believe necessary to accommodate the public service.
APPENDIX II

CONSTITUTIONAL PROVISIONS REPEATED VERBATIM IN THE
STATUTES OR REPEATED IN SUBSTANCE

Constitutional Provisions

Article IV. Limitations

Section 2: Public debt; observation of public lands; reservation of mineral rights; mineral leases; royalty, road fund; parish road bonds.

Section 2(a): Board of Liquidation of state debt; bonds; public works

Section 12: Loan or pledge of public credit; relief of destitute; donations; transfers of property

Article VI. Administrative Officers and Boards

Section 16: Rights and powers of Board of Commissioners of the Port of New Orleans; issuance of bonds

Section 16(2): Powers of board; organization of industrial districts

Section 16(3): Powers of board; continuing authority

Section 17: Members of board; appointment; term; removal

(a) Constitutional section titles are used except where the committee's jurisdiction extends only to a limited aspect of a section, as indicated by material enclosed in parentheses.

Statutory Provisions

Part of Section 2 repeated in substance – road fund; eminent right (R.S. 30:136)

Part of Section 2(a) repeated in substance – Board of Liquidation (R.S. 30:121)

Part of Section 12 repeated in substance – donations to U.S. for certain purposes (R.S. 52:2)

Part of Section 16 repeated in substance (R.S. 34:21 et seq.; 34:338.3)

Repeated in substance (R.S. 34:41-44)

Repeated in substance (R.S. 34:44)

(b) Substantively the same as the constitutional provision; verbatim only where noted.

CLP-1
**Constitutional Provisions**

**Article VI. Administrative Officers and Boards**

<table>
<thead>
<tr>
<th>Section</th>
<th>Description</th>
<th>Statutory Provisions</th>
</tr>
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<tbody>
<tr>
<td>Section 24:</td>
<td>Finances construction of Chef Menteur and Hammond Highways</td>
<td>(Act incorporated into constitution) Acts 1918, Ex. Sess., No. 18</td>
</tr>
<tr>
<td>Section 29:</td>
<td>Creates Baton Rouge Port Commission</td>
<td>Verbatim except for minor capitalization, treatment of numerals; and reference to &quot;This Chapter.&quot; R.S. 34:1222; 1223(A-E); 1224; 1225</td>
</tr>
<tr>
<td>Section 31:</td>
<td>Creates 7-member Greater Ouachita Port Commission</td>
<td>[(R.S. 34:1401 outdated by constitutional amendment of 1968); 34:1402 substantially Art. 6, Sec. 31(D); 34:1403 substantially Sec. 31(E)-(I); 34:1405 substantially Sec. 31 (P)]</td>
</tr>
<tr>
<td>Section 33:</td>
<td>Creates 7-member Lake Providence Port Commission</td>
<td>R.S. 34:1501-1506 verbatim; R.S. 34:1507 verbatim except for citation error in constitution</td>
</tr>
<tr>
<td>Section 33.1:</td>
<td>Creates 9-member South Louisiana Port Commission</td>
<td>Statute not in constitution - concerns acquisition of industrial property.</td>
</tr>
<tr>
<td>Section 34:</td>
<td>Creates Concordia Parish Port Commission</td>
<td>Verbatim - except for wrong citation in constitution (correct in 34:1857) R.S. 34:1851-1857</td>
</tr>
<tr>
<td>Section 35:</td>
<td>Creates Avoyelles Parish Port Commission</td>
<td>Verbatim - except for wrong citation in constitution (correct in 34:1807) (R.S. 34:1801-1807)</td>
</tr>
</tbody>
</table>
Constitutional Provisions

Article VI-A.  Gasoline Tax for Ports

Section 1:  Motor Fuel Tax
Exemptions and exclusions

Section 2:  Dealers; persons taxable; definition

Section 14:  Exemptions

Article IX.  Removal from Office

Section 9:  Recall

Article X.  Revenue and Taxation

Section 1:  Reforestation; valuation agreements; severance tax.

Section 4:  Tax exemptions - public property

Section 21:  Severance tax on natural resources; parish or other local subdivision prohibited from levying tax.

Article XIV.  Parochial and Municipal Affairs

Section 2:  Change of parish lines or remand of seat; election.

Statutory Provisions

Substantially VI-A, Sec. 1; (R.S. 47:712-714)

Substantially R.S. 47:712

Verbatim with R.S. 47:715

Repeated in substance (R.S. 42:341 et. seq.)

Part of Section 4 repeated in substance (R.S. 56:1541; 47:631)

Part of Section 4 repeated in substance (R.S. 47:2114)

Part of Section 21 repeated in substance (R.S. 47:631-632; 47:643; 47:645-646)

Repeated in substance (R.S. 33:141; 33:145)
Constitutional Provisions

Article XIV. Parochial and Municipal Affairs

Section 6: Parishes may acquire property for navigation canals.

Section 10: Municipal consolidation; special taxes

Section 11: Parochial tax limits; tax for municipal, district and parish fairs

Section 12: Municipal tax limits

Section 18: Power to own and operate municipal ice factories to municipalities

Section 19: Special tax to aid public utilities; elections

Section 29: Zoning ordinances. Authority; municipalities; airport zones

Section 30: Improvement by riparian owners in cities over 5,000 and within New Orleans

Section 30.1: Authority to create port, harbor, and terminal districts

Section 30.2: Lake Charles Harbor and Terminal District created

Statutory Provisions

Substantially duplicated (R.S. 34:361)

Repeated in substance (R.S. 33:191-204)

Repeated in substance (R.S. 33:2803; 33:2701,2702)

Repeated in substance (R.S. 33:2801)

Repeated in substance (R.S. 33:4161,4162)

Repeated in substance (R.S. 39:781)

Repeated in substance (R.S. 33:4721,4722; 2:381)

Substantially duplicated; statute refers only to New Orleans (R.S. 34:21)

(R.S. 34:201 et. seq.; 34:202 substantially duplicates statute)
Constitutional Provisions

Article XIV. Parochial and Municipal Affairs

Section 30.3: Navigation and River Improvement Districts creation authorized

Section 30.4: Navigation and River Improvement Districts' effect on Levee Boards

Section 36: Jefferson Parish; community center and playground districts; bonds

Section 39.1: Calcasieu parish; community center

Article XV. Drainage Districts

Section 3: Bayou Lafourche fresh water district

Statutory Provisions

Substantially duplicates financial limitations on such districts enumerated in constitution (R.S. 34:409)

Constitution substantially duplicates Section 11 of Act [Acts 1946, No. 285 (special and local)]

Constitution substantially duplicates Sections 1,8,11 [Acts 1948, No. 82 (special and local)]

Constitution substantially duplicates Act [Acts 1950, No. 113 (special and local)]
APPENDIX III

STANDARD OF THE LAKE PROVIDENCE PORT COMMISSION SUBMITTED TO THE COMMITTEE ON LOCAL AND PARISHIAL GOVERNMENT, STATE OF LOUISIANA, CONSTITUTIONAL CONVENTION OF 1973

Sentiments:

The Lake Providence Port Commission is a non-budget agency of the State of Louisiana, a branch of the Executive Department, created in 1938 under authority of Article VI, Section 11, Louisiana Constitution of 1921 and Chapter 11, Title 34, Louisiana Revised Statutes of 1930.

Your Commissioners are appointed by the governing authority of East Carroll Parish, two are appointed by the governing authority of the Town of Lake Providence and one is elected by the appointed Commissioners at their initial meeting.

Vacancies on the Commission are filled in the same manner as the original appointment. Commissioners serve for a term of six years.

Commissioners receive no remuneration. Reasonable travel allowance is permitted.

The Commission is responsible for the construction and maintenance of port facilities and exercises its statutory powers within the port area consisting of the entire parish of East Carroll.

The Commission may employ such officers, agents and employees as it may find necessary to perform its duties and may prescribe the duties, powers and compensation of such officers, agents and employees.

The Commission's principal duties and powers are: To regulate the commerce and traffic within the port area; to charge for and administer public wharves, boats, sheds and landings; to maintain water depths; to provide police protection to maintain and operate basins, locks, canals, warehouses and elevators; to establish fees, rates and tariffs; to establish harbor lines, to own and operate terminal railroad facilities; to make and enter into leases, contracts and other agreements; to appropriate.

The Commission is supported by a voted $1/2 mill ad valorem tax on the dollar of assessed valuation of all taxable property in East Carroll Parish plus income generated from port operations and facilities.

Title to all property and improvements operated by the Commission is vested in the State of Louisiana.

In Section 11, Article IV, the approval of the board of Liquidation of the State Debt, is required for its lawful purposes and to issue in its name negotiable bonds or notes therefor, and to pledge for the payment of the principal and interest of such negotiable bonds or notes the revenues derived from the operation of properties and facilities maintained and operated by it, or received by the Commission for any taxes authorized; provided, however, that the amount of such bonds or notes outstanding at any one time shall not exceed fifteen million dollars.

In conclusion, the approval of the board of Liquidation of the State Debt, is required for its lawful purposes and to issue in its name negotiable bonds or notes therefor, and to pledge for the payment of the principal and interest of such negotiable bonds or notes the revenues derived from the operation of properties and facilities maintained and operated by it, or received by the Commission for any taxes authorized; provided, however, that the amount of such bonds or notes outstanding at any one time shall not exceed fifteen million dollars.

Sincerely yours,

[Signature]

Commission Secretary, President
LAKE PROVIDENCE PORT COMMISSION

APPENDIX IV

BENTON, BENTON, BENTON & DODSON
A CORPORATION OF LOUISIANA

P.O. BOX 1214, BATON ROUGE

April 23, 1973

Mr. Shalan Perez, Chairman
Constitutional Convention
Box 44473
Baton Rouge, Louisiana 70804

Dear Mr. Perez:

Several days ago, you mentioned to me a memorandum regarding the provisions pertaining to the lake Charles Harbor and Terminal District. You may recall that Bob Mc Hale and I were before your committee several weeks ago, and that the time of this memo was agreed, as I think was true in respect to other meetings that had been appearing before that day that the statement I sent you would be considered for thirty days.

In respect to the provisions of the constitutional convention, Article XIV, Section 1, Article XIV, Section 2, and Article 6-A, Paragraph 5, Sub-Paragraph (b), we are convinced that these provisions are not only the Louisiana Supreme Law, but also the United States Supreme Court, as is shown in our statement.

Section 30, paragraph 2, ratifying the statutory law and providing the method for the appointment of the Commissioners is of the essence and represents a method for the organization of the district that has been affirmed not only by the Louisiana Supreme Law, but by the United States Supreme Court, as is shown in our statement.

Article 6-A, paragraph 5 is the constitutional provision which levies the State gasoline tax.

Mr. Shalan Perez
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The growth demands of the Lake Charles Port shown a little more in detail in the statement has received the creation of bond indebtedness in a relatively large amount involving property bonds as well as revenue certificates, and directly involving the statutory existence of the provisions in question.

To keep pace with what is happening other such items are contemplated so that the whole present and future financial structure of the Port must depend on these three constitutional provisions. Dated data as to this financial structure can be furnished, if needed, as well as economic data to show that what the Port is actually contributing in wealth to Louisiana in its favorable competitive position with the Texas ports as to our own agricultural products for contributing more than $25 million dollars yearly to the wealth of Louisiana.

Mr. Bob Mc Hale, who is the regular attorney for the Port, and I have collaborated in the preparation of this data, and final preparation on my part was necessary in view of the time element. We are both prepared to make further presentations, or indeed, if the writing staff should desire it, we are prepared to make suggestions as to the most direct and simplest way in our own opinion as to what the new constitutional provision or provisions should be.

The fourth item, Article XIV, Section 31, empowers ports to issue industrial bonds related to port developments, also vitally involving the growth need of all of the ports.

There would be a question in our minds as to whether this provision requires constitutional authorization, as Article XIV, Section 14(b.2) and (b.3) thatoubtedly will be retained in the Constitution may bring such law within the province of legislation.

The question here arises as to how the Convention is to deal with the situation involving like this where the subject matter is such that it forms an adequate legislative enactment where apparently the Convention is not to deal with legislation. Doubtless this point may simply be covered by the Convention by maintaining the full force and effect of the present constitutional provision until in due time it can be enacted by the Legislature.

April 23, 1973

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Mr. Shalan Perez  

April 23, 1973

If we can be of further help, please call on us, as we realize what a whole of a job all of you have, and we are very anxious to do whatever we can to expedite your responsibility.

Sincerely yours,

Fred G. Benton, Sr.

cc: Mr. Robert M. Mc Hale  
P. O. Box 1591  
Lake Charles, Louisiana

MINUTES

Minutes of the meeting of the Subcommittee on Special Districts; Transportation, Ports, and Harbors of the Committee on Local and Parochial Government of the Constitutional Convention of Louisiana of 1973

Held pursuant to notice mailed by the Secretary of the Convention on April 28, 1973

State Capitol, Committee Room 211  
Baton Rouge, Louisiana  
Saturday, May 5, 1973, 10:00 a.m.

Presiding: Terry R. Reeves, Chairman, Subcommittee on Special Districts; Transportation, Ports, and Harbors

Present: Terry R. Reeves  
Harvey Cannon, Jr.  
George Dewey Hayes  
Ethan J. Chatelain  
Frank Ullo

Chairman Reeves called the meeting to order, and the secretary read the minutes of the subcommittee meeting of April twenty-seventh and twenty-eighth. Mr. Chatelain moved that the minutes be adopted as read, and the chairman so ordered.

The chairman read Staff Memorandum No. 10, a copy of which is attached hereto and made a part of these minutes.

It was decided that Article VI, Section 27 of the present constitution, be removed and placed in the statutes.

Mr. Fred Benton, Sr., and Attorney Robert Mc Hale, representing the Lake Charles Harbor and Terminal District, were introduced. Mr. Benton advised the subcommittee as to the various functions of the port.

Throughout the discussion, the port recommended that Article XIV, Sections 30.1 and 30.2, and Article VI-A, Paragraph 5, Subparagraph (b) be retained in the constitution. However, he stated that Article XIV, Section 31 could be deleted. Discussion ensued concerning these recommendations, and it was decided that the subcommittee would delay taking action on this port until more information was obtained.

Mr. Charles W. Herbert, executive director of the Greater Baton Rouge Port Commission, was introduced and read a report to the subcommittee, a copy of which is attached and made a part of these minutes.

Mr. George Mathews, attorney for the port commission, agreed with Chairman Reeves when asked if he would concede to a general provision concerning port authority for expropriation.

Chairman Reeves stated that the subcommittee was not planning to take action on the port at this time, and would appreciate any written recommendations the port commission might wish to present.

The subcommittee recessed for lunch at 12:00 noon.

The chairman called the meeting to order at 1:00 p.m., and opened discussion concerning Miosant Airport. After considerable discussion, Dr. Ullo offered a motion that Article XIV, Section 31.6 be deleted and placed verbatim in the statutes of the Louisiana Legislature. With no objection, the motion passed.

The chairman then directed the subcommittee to review Staff Memorandum No. 14, a copy of which is attached hereto and made a part of these minutes. He stated that it was the oral opinion of the attorney general’s office that it would not adversely affect the contract between Texas and Louisiana if this section is deleted from the constitution and placed in the statutes. However, it was decided to delay action on this matter until the next meeting of the subcommittee.

Mr. Carriere presented a report to the subcommittee concerning the Port of New Orleans; copies of this material is attached hereto and made a part of these minutes. Dr. Ullo stated that something must be done to rectify this inequity. He stated that Jefferson Parish and St. Bernard Parish wanted equal representation on the Board of Commissioners of the Port of New Orleans. After considerable discussion, the subcommittee decided to delay taking action on the port until further information and testimony could be obtained.

The subcommittee adjourned at 3:30 p.m.

Terry R. Reeves, Chairman  
Subcommittee on Special Districts

NOTES

Staff Memo No. 10 is reproduced in Chapter II, below.

[Statement of Charles W. Herbert]

WHILE THE GREATER BATON ROUGE PORT COMMISSION IS AN EXECUTIVE
DEPARTMENT OF THE STATE OUR FUNCTION IS NOT SIMILAR TO OTHER STATE AGENCIES OR DEPARTMENTS.

OUR PORT OPERATES AS A PRIVATE BUSINESS ENTERPRISE - WE ARE IN A HIGHLY COMPETITIVE BUSINESS - AND AS SUCH BRING MILLIONS OF DOLLARS OF REVENUE INTO THE BATON ROUGE AREA AND OUR STATE EACH YEAR.

OUR BOARD IS COMPRISED OF TEN MEMBERS ALL SERVING WITHOUT PAY BUT HAVING THE INTEREST AND AUTHORITY TO SET POLICY AND MAKE DECISIONS AS NEEDED.

THERE ARE NUMEROUS INSTANCES WHERE WE ARE FACED WITH EMERGENCIES, SUCH AS DAMAGE TO OUR DOCKS OR FACILITIES, THAT DEMAND IMMEDIATE DECISIONS.

AT OTHER TIMES SOME COMMITMENT MUST BE MADE, VIRTUALLY ON THE SPOT, TO SOME INDUSTRY OR PERHAPS A STEAMSHIP OR BARG. LINE. WE ARE HIGHLY COMPETITIVE WITH ALL OTHER GULF PORTS AND WE MUST BE ABLE TO OPERATE AS THEY DO.

THE PAST 20 YEARS ARE AMPE PROOF THAT WE HAVE THE AUTHORITY NEEDED AND THE POWERS NECESSARY TO ACCOMPLISH OUR PURPOSE.

SINCE 1956 OUR PORT HAS EXPANDED AT A FANTASTIC RATE WITH OUR EXPENDITURE ON FACILITIES INCREASING FROM 12½ MILLION DOLLARS TO SOME 48 MILLION DOLLARS. ALL OF OUR FACILITIES ARE BEING WORKED TO CAPACITY. WE HAVE GROWN TO BE THE THIRD LARGEST PORT ON THE GULF AND SEVENTH IN THE NATION.

IT IS THEREFORE THE FEELING AND WISH OF OUR COMMISSION THAT WE CONTINUE TO REMAIN IN THE CONSTITUTION VIRTUALLY AS PRESENTLY PROVIDED.

I SHOULD MENTION, HOWEVER, I AM JUST IN RECEIPT OF A RECOMMENDATION FROM ONE OF OUR COMMISSIONERS, WHICH THE COMMISSION AS A WHOLE HAS NOT CONSIDERED, THAT THE COMMISSION POWERS BE ENLARGED IN THE FOLLOWING MANNER:

THE COMMISSION SHALL HAVE AUTHORITY TO ACQUIRE BY RIGHT OF EMINENT DOMAIN, PURCHASE, LEASE OR OTHERWISE THE LAND THAT MAY BE NECESSARY FOR THE BUSINESS OF THE COMMISSION; TO ACQUIRE BY PURCHASE, LEASE OR OTHERWISE INDUSTRIAL PLANT SITES, AND TO CONSTRUCT INDUSTRIAL PLANTS AND BUILDINGS WITH NECESSARY MANUFACTURING AND PROCESSING MACHINERY AND EQUIPMENT AND THE COMMISSION SHALL HAVE AUTHORITY TO LEASE SUCH SITES, PLANTS, BUILDINGS, MACHINERY AND EQUIPMENT FOR USE AND OPERATION BY PRIVATE ENTERPRISE AS AN ADDITIONAL SOURCE OF REVENUE TO THE COMMISSION.

AFTER THE COMMISSION HAS HAD AN OPPORTUNITY TO TAKE A POSITION ON THIS MATTER SUCH POSITION WILL BE MADE KNOWN TO YOUR COMMITTEE.

NOTES

Staff Memos Nos. 13 and 14 are reproduced below in Chapter II.

HISTORICAL NOTE

The Board of Commissioners of the Port of New Orleans was created pursuant to Acts of the General Assembly of 1896, No. 70. The law-making body of Louisiana amended that original Act on numerous occasions; and the Louisiana Constitution also produced many changes in the original Act. The Louisiana Revised Statutes of 1950, Title 14, Section 1, et seq., repealed Acts 1896, No. 70, as amended and reenacted and reorganized the entire statutory body of the law pertaining to the establishment, organization and government of the Board of Commissioners of the Port of New Orleans.

The original of Acts 1896, No. 70, is reproduced below for historical purposes only.

"To establish a commission for the Port of New Orleans; to define their powers and duties; to provide a revenue therefor; and to repeal conflicting laws.

WHEREAS, the Port of New Orleans, has been gradually extended until it has reached beyond the limits and jurisdiction of the City of New Orleans; and

WHEREAS, the divided authority of three Parishes and the multiplicity of officials with the various fees, and the development of contiguous rival Ports will act injuriously and prejudicially to the traffic of the Port; and

WHEREAS, the tax on shipping exacted for various fees, charges, etc., is of such proportions as to threaten to divert the trade to less expensive ports; and

WHEREAS, the supervision and control of an intelligent Board of State Commissioners can consolidate the services of Harbor Masters and Wardens, Wharf Superintendents, Wharfingers of three Parishes into one set of competent employees at a reduced expense; can operate and improve the wharves and other terminal facilities for the Port and greatly develop and expand its commerce by removing many of the obstacles now placed in the way of its advancement; and

WHEREAS, due public notice of the intention to apply for the passage of this Act has been given as required by Article 48 of the Constitution, Therefore

Section 1. Be it enacted by the General Assembly of the State of Louisiana, That the Governor of the State of Louisiana is hereby authorized to appoint a Board of Commissioners to be known as the "Board of Commissioners of the Port of New Orleans," said Board to consist of five members, who shall be citizens of the United States and reside within the Port limits of New Orleans in the Parishes of Orleans, Jefferson, or St. Bernard, and at the time of their appointment must be prominently identified with the Commerce or business interest of the Port of New Orleans; One of said commissioners shall be appointed for a term of three years, one for four years, one for five years, one for six years and one for seven years. At the expiration of their term their successors shall be appointed by the Governor for a period of five years each. The Board shall have the power to fill the unexpired term should any vacancy occur through death, resignation or other cause.

Section 2. Be it further enacted, etc., said Board of Commissioners shall have power to regulate the commerce and traffic of the Port of New Orleans in such manner as may in their judgment be best for its maintenance and development.

MINUTES

Minutes of the meeting of the Subcommittee on Special Districts: Transportation, Ports, and Harbors of the Committee on Local and Parochial Government of the Constitutional Convention of 1973

Held, pursuant to notice mailed by the Secretary of the Convention on May 3, 1973.

State Education Building
Baton Rouge, Louisiana
Tuesday, May 15, 1973, 9:00 a.m.

Presiding: Terry Reeves, chairman of the Subcommittee on Special Districts: Transportation, Ports, and Harbors

Present: Frank Ullo, Harvey Cannon, Ethan Chatelain, George Dewey Hayes

Absent: NONE

Quorum Present

The Subcommittee on Special Districts: Transportation,
Ports, and Harbors of the Committee on Local and Parochial Government met in a one-day session at the State Education Building on Tuesday, May 15, 1973. The chairman called the meeting to order at 9:00 a.m., noting that a quorum was present.

A general discussion was held on the Sabine River Authority with the final conclusion being that the committee would hold any action until Mr. Fred Benton, Jr. makes his presentation before the committee. The chairman also directed the staff to research the area of water rights and how it would affect the removal of the Sabine River Authority from the constitution.

At this time a presentation was given by four gentlemen representing Jefferson Parish concerning the Port of New Orleans. The names of the gentlemen and their positions are as follows:

Mr. Charles Wall - Member of the Jefferson Parish Port Commission
Mr. John F. Rau, Jr. - Former member of the Legislature
Mr. Rudy Eason - Parish attorney for Jefferson Parish
Mr. James Arceneaux - Parish attorney for Jefferson Parish

The proposal given included the powers and authority of the Port of New Orleans, the number of members of the board, their selection, their term of appointment, removal and borrowing power. Their proposal also provided that two members would serve on the Board of Commissioners for the Port of New Orleans from Jefferson Parish, two from the parish of Orleans, one from St. Bernard Parish with an additional member coming from the parish with the greatest population, and a final member from the state at large, a parish not including the three named above.

Mr. Dennis Grace, port director for Trade and Development in the parish of Orleans, wished to express their views on the Port of New Orleans, but the chairman, Mr. Reeves, asked that Mr. Grace and his party get together with Mr. Wall from Jefferson Parish and his party and come up with a proposal that would express the views of both parishes.

As the meeting was about to adjourn, Mr. George Mathews, general counsel for the Greater Baton Rouge Port Commission, came in with their proposal indicating certain provisions to be retained in the constitution and others which they would like to see transferred to statutes. Mr. Reeves, chairman, asked that they leave their proposal with the committee for their consideration at a later date.

Mr. Cannon then moved that the meeting be adjourned.

With no objection, the chairman so ordered, and the meeting adjourned at 11:50 a.m. on May 15, 1973.

Terry Reeves, chairman

MINUTES

Minutes of the Subcommittee on Special Districts: Transportation, Ports, and Harbors of the Constitutional Convention of 1973

Held pursuant to notice mailed by the Secretary of the Convention on May 17, 1973

State Capitol, Senate Lounge
Baton Rouge, Louisiana
Friday, May 25, 1973

Presiding: Terry R. Reeves, Chairman, Subcommittee on Special Districts: Transportation, Ports, and Harbors

PRESENT
Harvey Cannon, Jr.
Ethan Chatelain
George Dewey Hayes
Terry R. Reeves
Frank Ullo

ABSENT
None

The chairman called the meeting to order. Mr. Chatelain offered a motion to approve the minutes of May 15, 1973. The motion carried without objection.

Chairman Reeves stated that the agenda included consideration of the Sabine River Authority, Port of New Orleans, Port of Baton Rouge, and the Port of Lake Charles.

Mr. Cannon moved to delete the Sabine River Authority from the constitution (Article XIV, Section 45). The motion carried without objection.

General discussion ensued concerning the Port of New Orleans. Mr. Chatelain offered a motion that the committee consider the Port of New Orleans as a constitutional institution if membership inequities could be worked out. A roll call vote was taken on the motion:

Harvey Cannon, Jr. (Yea)
Ethan Chatelain (Yea)
George Dewey Hayes (Abstained)
Frank Ullo (Yea)

The motion carried with three yeas and one abstention.

The chairman introduced Mr. John F. Rau, Jr., former member of the legislature; Mr. Dennis Grace, deputy director

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for Trade and Development in the parish of Orleans, and Mr. Rudy Eason, parish attorney for Jefferson Parish. These gentlemen joined the discussion concerning the New Orleans Dock Board.

The subcommittee discussed the proposal drafted by the staff at the request of Mr. Reeves, relative to the New Orleans Dock Board. A copy of this proposal is attached hereto and made a part of these minutes. They also discussed the compromise agreement prepared by the New Orleans Dock Board and Jefferson Parish officials.

In discussion on the draft prepared by the staff, the subcommittee voted unanimously to delete lines 20, 21, 22, and the word "constitution" on line 23, page 1.

There was a motion to add the phrase "who shall be experienced in commerce and industry or both." after the word "compensation" on line 7, page 2. The motion carried without objection.

Mr. Cannon offered a motion to delete the word "in" on line 20, page 2, and the words "accordance with the procedures prescribed by law" on line 22, page 2. The motion carried without objection.

There was a motion to delete the word "of" on line 25, and the word "and" on line 26, page 2. The motion carried unanimously.

Mr. Chatelain offered the motion to change the word "seven" on line 6, page 2, and insert the word "five." However, Mr. Hayes offered a substitute motion to have the two additional delegates be based on population rather than at large. A roll call vote was taken on Mr. Hayes' substitute motion:

Harvey Cannon, Jr. (Nay)
Ethan Chatelain (Nay)
George Dewey Hayes (Yea)
Frank Ullo (Nay)

There being three nays and one yea, the substitute motion failed. The original motion carried unanimously.

The subcommittee decided to delete the word "of" on line 1, and the word "and" on line 2, page 3; and the words "of" and "and" on line 7, page 3.

Section (E) of the staff proposal was omitted and the New Orleans Dock Board's Compromise Proposal Section 1, page 3 was accepted in lieu of Section (E). Section (F) of the proposal was also omitted and in lieu thereof, the phrase "there shall be no more than two members of the said board who reside in and are qualified voters from within one of the parishes of Orleans, Jefferson, and St. Bernard."

Mr. Chatelain then offered a motion to delete line 6 on page 4. The motion carried with three yeas and one abstention from Mr. Cannon.

The subcommittee agreed to change the words "nominating committee" on line 11, page 5, and insert the words "appropriate body."

It was also agreed that the section dealing with "Managerial Powers" on page 6 of the staff proposal be deleted, and the New Orleans Dock Board compromise proposal on page 6 be accepted.

Mr. Chatelain offered a motion that the Port of New Orleans remain in the constitution as the proposal was amended with the understanding that Article XIV, Section 30, would be included. The motion carried without objection.

Mr. Cannon offered a motion that the Port of Baton Rouge remain in the constitution with certain adjustments, and the motion carried with four yeas and one nay from Mr. Reeves.

A motion was then offered by Mr. Chatelain that the Port of Lake Charles remain in the constitution as recommended in the correspondence from that port, a copy of which is attached hereto and made a part of these minutes. The motion carried with four yeas and one nay from Mr. Reeves.

There was a motion to delay reconsidering the South Louisiana Port Commission until further study information. Mr. Hayes offered a substitute motion to place the South Louisiana Port Commission in the constitution. The substitute motion failed to carry on a vote of three against and one for, Mr. Hayes voting for the motion. The original motion to delay reconsidering the South Louisiana Port Commission then carried.

The subcommittee adjourned at 4:30 p.m.

Terry R. Reeves, Chairman

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PROPOSED SECTIONS:

Article ___ , Section ___. Powers and Authority;

Territorial Limits

Section ___. The Board of Commissioners of the Port of New Orleans shall have the authority to do all things necessary to promote and regulate the commerce and traffic of the port; and shall have the full power to provide and administer all facilities which are necessary to the above purposes, including but not limited to, the building, maintenance, and operation of public wharves and other facilities which are port connected. Without limiting or detracting from the powers of the Board of Commissioners of the Port of New Orleans now conferred by the statutes of this state or by this constitution, the Board of Commissioners of the Port of New Orleans shall have full power to acquire by purchase, exchange, lease, expropriation, or otherwise, any property deemed necessary by said board for the commerce or other public purposes of the port and to lease, sell, exchange, or otherwise dispose of any such properties, including, without limitation, any wharves, buildings, improvements, structures, or facilities of any nature whatsoever. The board shall exercise all such powers and authority within the territorial limits of the Port of New Orleans, which shall comprise the parish of Orleans, and those portions of the parishes of Jefferson and St. Bernard fronting on the Mississippi River or concerned with deep draft-international waterborne transportation.

Section ___. Number of Members, Qualifications.

Appointments, Vacancies

Section ___. (A) The Board of Commissioners of the Port of New Orleans shall be composed of seven members, who shall serve without compensation. The categories of representation from the three parishes of Jefferson, Orleans, and St. Bernard, as set forth in the enumerated paragraphs below, shall hereafter be maintained at all times. The present members, five in number, shall continue to serve on said board for the duration of their respective terms, and any vacancies in the membership of the board hereafter occurring by reason of expiration of the terms for which appointed, or by reason of death, resignation, or otherwise, shall be filled by the governor of the state in the manner hereinafter provided and in the order hereinafter set forth. Nominees to the governor for appointment of members to said board shall be chosen in accordance with the procedures prescribed by law and in the following manner:

(B) One member who resides and is a qualified voter in the parish of Jefferson shall be appointed by the governor within fifteen days after receipt by him of and from three nominees submitted to him by the Jefferson Parish Industrial Development Commission. Said three nominees shall be selected by said commission from a panel of six qualified nominees, comprising three nominees selected by the West Bank Council of the Chamber of Commerce of the New Orleans Area and three nominees selected by the East Jefferson Council of the Chamber of Commerce of the New Orleans Area.

(C) One member who resides and is a qualified voter in the parish of St. Bernard shall be appointed by the governor within fifteen days after receipt by him of and from three qualified nominees submitted to him by the St. Bernard Council of the Chamber of Commerce of the New Orleans Area.

(D) One member who resides and is a qualified voter in the parish of Orleans shall be appointed by the governor within fifteen days after receipt by him of and from three nominees submitted to him by a nominating council, comprised of the presidents or recognized heads of the nominating organizations hereinafter named. Said nominating council shall select three nominees from among a panel of names submitted to it by the following nominating organizations, which shall each select two qualified nominees:

(1) Chamber of Commerce of the New Orleans Area

(2) New Orleans Board of Trade, Ltd.

(3) New Orleans Steamship Association

(4) International House

(E) Two members who reside and are qualified voters in the parishes of Jefferson, Orleans, or St. Bernard shall be appointed by the governor with fifteen days after receipt by him of and from three nominees submitted to him by a nominating council, comprised of the presidents or recognized executive heads of the nominating organizations hereinafter named. Said nominating council shall select three nominees from among a panel of names submitted to it by the following nominating organizations, which shall each select two qualified nominees:

(1) Chamber of Commerce of the New Orleans Area

(2) New Orleans Board of Trade, Ltd.

(3) St. Bernard Council of the Chamber of Commerce of the New Orleans Area

(4) West Bank Council of the Chamber of Commerce of the New Orleans Area
(5) East Jefferson Council of the Chamber of Commerce
of the New Orleans Area
(6) Jefferson Parish Industrial Development Commission
(7) New Orleans Steamship Association
(8) International House
(9) AFL-CIO Central Trades and Labor Council

(F) The sixth and seventh members shall be appointed
directly by the governor. Members serving on the effect-
tive date of this constitution shall complete their respect-
tive terms of office, with their successors and the addi-
tional members to be chosen as provided hereinabove. On
the effective date of this constitution, two additional
members are to be appointed; one from Jefferson Parish and
one from the state at-large. The first vacancy arising by
expiration of term of office shall be filled from the
parish of St. Bernard; the next vacancy shall be filled
from the second and third Public Service District (act-
ing as one representative area).

(G) Any vacancy in the membership of the board from the
parishes of Jefferson or Orleans shall be filled by the
governor of the state within fifteen days after receipt
by him of the names of the nominees submitted to him by
the organizations specified hereinabove in the following
manner: the nominating organizations of each parish
for which a vacancy might exist shall each choose two
nominees having the necessary qualifications for each
vacancy occurring on said board, and shall submit the
names of such nominees in writing to a committee con-
sisting of the presidents or recognized executive heads
of such nominating organizations of said parish, who
shall select three nominees from among those names
submitted to it by the nominating organizations and
shall certify the names of the three nominees selected
to the governor of the state.

Section_____. Dissolution of Nominating Organizations;
Effect

Section_____. If any one or more of the nine
organizations referred to above shall cease to exist or
to function, without any legal successor, then the nom-
inees shall be submitted to the nominating council by
those nominating organizations as shall continue to exist
and function.

Section_____. Delayed Certification; Appointment

Section_____. In the event that, for any reason,
the nominating committee shall fail to certify to the
governor the three nominees within one hundred twenty
days after the expiration of the term of any member of
the board or the occurrence of a vacancy on that board
from any other cause, the governor shall have the right
and it shall be his duty to proceed forthwith to make
an appointment to fill such vacancy.

Section_____. Term of Appointment; Filling Unexpired
Term; Reappointment

Section_____. Any succeeding member appointed to fill
the term of a member leaving the board, before the expira-
tion of the term to which he shall have been appointed,
shall be appointed to fill the unexpired term of such
retiring or deceased member. All members appointed to
the board shall be appointed for a term of five years,
except the first appointment from the parish of Jefferson
who shall be appointed to a term of three years. No
member of said board shall be eligible to succeed himself
unless the unexpired term which he will have been appointed
to fill has less than two years to run.

Section_____. Service Until Successor Qualified

Section_____. Members shall continue to serve until
their successors have been appointed and duly qualified.

Section_____. Incompatible Offices

Section_____. No member of said board shall hold any
office in any political party or other political
organization, nor shall he hold any public office
or employment for compensation, existing under or
created by the laws of the United States, the State
of Louisiana, or any municipality or subdivision
thereof.

Section_____. Confirmation; Removal

Section_____. Any and all appointments of members
of the Board of Commissioners of the Port of New Orleans
shall be made by the governor as hereinabove provided
and without the advice or consent of the Senate, or
confirmation by the Senate. No member thus appointed
shall be removed except for cause on charges preferred
against him in writing by the attorney general of the state,
and after public hearing and proof of the suf-
ficiency of said charges to justify his removal, before
a court of competent jurisdiction.

Section_____. Managerial Powers

Section_____. The Board of Commissioners of the Port
of New Orleans shall have sole power to organize or re-
organize the legal, executive, engineering, clerical, and
other departments and forces of said board, and to fix
the duties, powers, and compensation of all officers,
agents, and employees in such departments, excepting,
however, such civil service requirements, auditing and
financial practices may be established by state law.
Section ___. Powers and Authority; Borrowing; General 
Obligation Notes and Bonds

Section ___. The board of commissioners of the Port 
of New Orleans shall have the power, without legislative 
enactment or authorization, to borrow money and to 
issue notes and bonds for any of its purposes and powers. 
Such borrowing shall be made and such notes and bonds 
issued in accordance with the procedures established by 
the State Bond Commission, except as hereinafter provided 

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in subsection (B). The State Bond Commission shall, 
immediately following the approval of this constitution, 
notify the said board of its procedures. 

All notes and bonds of the board issued pursuant to 
the foregoing authorizations shall constitute and be 
general obligations of the state, to the payment of 
which the full faith and credit of the state shall be 
pledged by the board. All such bonds and notes, together 
with all bonds of the board outstanding at the time of 
adoption hereof, shall be payable from the Bond Security 
and Redemption Fund equally and rateably and on a parity 
with all general obligation bonds of the state issued 
under Article IV, Section 2 of the Constitution of 1921. 

Nothing in this section shall be a limitation on 
the power of the legislature to authorize the issuance of 
bonds by the state for the purposes of the board, upon 
such terms and conditions as it deems proper. 

Section ___. Limited Revenue Obligations 

Section ___. The board may borrow such sums as shall 
be necessary to construct or improve any port facility, 
provided that the loan therefor shall be secured by 
and liquidated only from a percentage to be agreed upon 
of the revenues collected for the use of such facility. 

The board may issue bonds in such principal amount as 
may be necessary for the purpose of constructing, acquiring, 
remodeling any facility which is in the power of 
the board to provide. This authority shall depend upon 
the board having entered into a lease or other agreement, 
by which under its terms and conditions, the bonds issued 
will be retired. 

Such obligations and/or bonds or notes shall not be 
supported by the full faith and credit of the state, but 
shall be payable solely from the revenues of the said 
facility. 

The board may acquire movable and immovable property 

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subject to mortgage or other liens and may agree to the 
retention of vendor's lien and privilege on the property 

acquired, provided that the obligees shall be limited 
solely to the proceeds derived from enforcement of the 
vendor's lien and privilege and not from the general 
revenues or other property of the board.

Section ___. Tax Exemption

Section ___. The principal of and interest on and 
income from all obligations created by the board shall 
be exempt from all state, parish, municipal, or other 
taxation, except inheritance, transfer, or gift taxes. 
General obligation bonds of the board shall have the 
same eligibility for deposit with the state or its 
officers or any of its political subdivisions or municipali-

ties, as was granted by Article 321 of the Constitu-
tion of 1913 to the bonds therein authorized.

Source: La. Const. Article VI, Sections 16, 16.1, 16.2, 
16.3, 16.4, 16.6, 17. (1921). 

Comment: The revision changes the method of selecting members 
of the Board of Commissioners. The parishes of St. Bernard 
and Jefferson are guaranteed membership as are the parishes 
outside the port area. 

The AFL-CIO is given a voice in the selection of two 
members of the board. 

The provision concerning powers and authority; bor-
rowing, is modernized in language while being substantively 
unaffected.

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The committee looked over the minutes of the May 25, 1973 meeting. The subcommittee asked that the minutes be amended to include a substitute motion that had been made by Mr. Hayes to place the South Louisiana Port Commission in the constitution. The motion had failed on a vote of one for and three against, Mr. Hayes voting against the motion.

Mr. Cannon moved to adopt the minutes as amended. The motion carried without objection.

Staff Memorandum No. 20 dealing with the recommendations of the subcommittee was given over next by the subcommittee. The memorandum is attached hereto and made a part of these minutes as Appendix A.

Mr. Hayes moved to reopen discussion of ports. The motion passed without objection.

Mr. Robert Manard, member of the Chamber of Commerce of the New Orleans area, presented the committee with a report on the constitutional status of the Board of Commissioners, Port of New Orleans. His report is attached hereto and made a part of these minutes as Appendix A.

The committee next looked over Staff Memorandum No. 21 which is attached hereto and made a part of these minutes as Appendix C.

Mr. Chalin Perez, chairman of the whole committee on Local and Parochial Government spoke to the committee next. Mr. Perez, relating to the dock board of the Port of New Orleans, said he felt that in order to give adequate protection to the board there must be some restructuring of the provision, but he was concerned over the length of the provision the subcommittee had come up with. He suggested

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a general provision to give all ports protection without putting in so much detail. Mr. Perez suggested a provision along the lines of the following proposal: "All deep-water port commissions and all deep-water port, harbor, and terminal districts as they are now organized and constitute, shall continue to exist. The legislature may not diminish or withdraw from any such commission or district including the board of commissioners of the Port of New Orleans, any of its powers and functions, nominating effect, structure, organization, distribution, and redistricting of the powers and functions of any such commissions including its territorial districts except by acts passed by at least a two-thirds vote of the elected membership of each house; but the legislature may by ordinary acts grant additional powers and functions to any such district. The legislature may create new commissions and districts by ordinary acts."

After hearing from Mr. Perez, Mr. Reeves stressed the need for the committee to decide what action it will recommend to the whole committee. A vote was called for on whether or not to report to the committee of the whole what the subcommittee had done. On a roll call vote the committee voted not to report to the whole committee what it had come up with. The voting was as follows:

**YES**
- Harvey Cannon
- Ethan Chatelain

**NO**
- George Dewey Hayes
- Frank Ulo
- Terry R. Reeves

Mr. Cannon moved to meet again on Monday, June 25, 1973 at 10:00 a.m. It was suggested that perhaps the committee should not set a meeting date until they found out when the whole committee was going to meet again.

Chairman Reeves adjourned the meeting at 12:00 noon.

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**NOTES**

Staff Memos Nos. 20 and 21 may be found in Chapter II, below.

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**APPENDIX B**


Gentlemen:

I am Robert L. Manard, Jr., President of the Chamber of Commerce of the New Orleans Area.

You have been given copies of the official stand of the Chamber concerning the Board of Commissioners, Port of New Orleans. I would like to discuss this.

The Chamber feels the Port of New Orleans is the greatest economic asset of this state, and, therefore, its successful operation is in the interest of the entire state.

Under the constitutional protections, concerning membership and the financial authority of the Board, which have been in effect for the past thirty years, this port has maintained its position as the Number Two port in the nation and as one of the major ports of the world.

We feel this constitutional protection must be continued in order to insure a continuity of success based on professional, business-like management.

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At the same time we feel slight changes are in order because of the growth of the metropolitan New Orleans area and the changed emphasis in the trade of the area. These changes require some adjustments in the composition and nominating procedure.

These changes have been recognized in the proposal reviewed by the Sub-committee on Special Districts; Transportation, Ports and Harbors.

We agree, generally, with these changes, with the slight modifications you will note.

The Chamber urges you to recognize, by continuing these constitutional protections, the unselfish hours of dedicated service the businessmen appointees to the Board have given.

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b. Candidates in Jefferson Parish shall be nominated by:

1. The West Bank Council, Chamber of Commerce of
   the New Orleans Area
2. The East Jefferson Council, Chamber of Commerce
   of the New Orleans Area

Each shall nominate three candidates. The Jefferson Parish Industrial Development Commission will select three from this list of six. The Governor shall choose one from this list of three.

c. Candidates in St. Bernard Parish shall be nominated by:

1. St. Bernard Council, Chamber of Commerce of the
   New Orleans Area

The Council shall nominate three candidates from whom the Governor shall select one.

d. At-large candidates shall be nominated by:

1. Chamber of Commerce of the New Orleans Area
2. New Orleans Board of Trade
3. New Orleans Steamship Association
4. International House
5. W.S. Bank Council, Chamber of Commerce of the
   New Orleans Area
6. East Jefferson Council, Chamber of Commerce of
   the New Orleans Area
7. St. Bernard Council, Chamber of Commerce of the
   New Orleans Area

Each agency will nominate two candidates. The principal officers of these agencies shall then select three from this list of fourteen. The Governor shall select one from this list of three.

4. In order to provide for an orderly transition to the new system the Chamber recommends the following nominating sequence:

   1st year - Jefferson Representative
   2nd year - St. Bernard Representative
   3rd year - Orleans Representative
   4th year - At-large Representative
   5th year - At-large Representative
1. Abbeville Harbor & Terminal District -
(a) Territorial Limits - All of the third and seventh wards of Vermilion Parish. - R.S. 34:133.1
(b) Board of Commissioners - R.S. 34:333.2
(c) Bonds - R.S. 34:333.9-No loan shall be in no year: exceed the estimated revenues for such year.

2. Avoyelles Parish Port Commission -
(a) Territorial Limits - Entire parish of Avoyelles - Article VI, §35(E)
(b) Board of Commissioners - Article VI, §35(A); R.S. 34:1801
(c) Bonds - $15 million bonded indebtedness - Article VI, §35(L); R.S. 34:1804

3. Caddo-Bossier Parishes Port Commission -
(a) Territorial Limits - Entire parishes of Caddo & Bossier (excepting "any docks, landings, or wharves presently in use and businesses now engaged in river operations in the port area.") - Article VI, §32(E)
(b) Board of Commissioners - Article VI, §32(A)
(c) Bonds - $15 million bonded indebtedness - Article VI, §35(K)

4. Columbia Port Commission -
(a) Territorial Limits - Entire parish of Caldwell (excepting "any docks, landings, or wharves presently in use and businesses now engaged in river operations in the port area.") - R.S. 34:1903
(b) Board of Commissioners - R.S. 34:1901
(c) Bonds - $15 million - R.S. 34:1904

5. Concordia Parish Port Commission -
(a) Territorial Limits - Entire parish of Concordia (excepting "any docks, landings, or wharves presently in use and businesses now engaged in river operations in the port area.") - Article VI; §33(P); R.S. 34:1853
(b) Board of Commissioners - Article VI, §34(A); R.S. 34:1851
(c) Bonds - $15 million - Article VI, §34(N); R.S. 34:1854

6. DeSot Parish Port Commission -
(a) Territorial Limits - Inhabitants of DeSot (excepting "any docks, landings, or wharves presently in use and businesses now engaged in river operations in the port area.") - R.S. 34:1603
(b) Board of Commissioners - R.S. 34:1602
(c) Bonds - No statutory authority - R.S. 34:1603

7. East Cameron Port, Harbor & Terminal District -
(a) Territorial Limits - Wards one and two in the parish of Cameron - R.S. 34:2501
(b) Board of Commissioners - R.S. 34:2507
(c) Bonds - $15 million - R.S. 34:2505

(a) Territorial Limits - Entire parish of Grant (excepting "any docks, landings, or wharves presently in use and businesses now engaged in river operations in the port area.") - R.S. 34:2351
(b) Board of Commissioners - R.S. 34:2351
(c) Bonds - $15 million - R.S. 34:2354

9. Greater Baton Rouge Port Commission -
(a) Territorial Limits - parishes of East Baton Rouge, West Baton Rouge, Iberville, and Ascension - Article VI, §29, 29.1
(b) Board of Commissioners - Article VI, §29, 29(3); R.S. 34:1221
(c) Bonds - $50 million - Article VI, §29.1

10. Greater Jefferson Port Commission -
(a) Territorial Limits - Wards one, two, three, four, five, six, and eleven - R.S. 34:2022
(b) Board of Commissioners - R.S. 34:2021
(c) Bonds - $50 million - R.S. 34:2023

11. Greater Krotz Springs Port Commission -
(a) Territorial Limits - Entire parish of St. Landry - R.S. 34:1453
(b) Board of Commissioners - R.S. 34:1451
(c) Bonds - $15 million - R.S. 34:1454

12. Greater Lafourche Port Commission -
(a) Territorial Limits - R.S. 34:1652 - Ward ten of the parish of Lafourche
(b) Board of Commissioners - R.S. 34:1651
(c) Bonds - $25 million - R.S. 34:1653

13. Greater Ouachita Port Commission -
(a) Territorial Limits - Entire parish of Ouachita - Article VI, §34(E); R.S. 34:1403
(b) Board of Commissioners - Article VI, §31(a); R.S. 34:1401
(c) Bonds - $15 million - Article VI, §31(L); R.S. 34:1404

14. Jonesville Port, Harbor & Terminal District -
(a) Territorial Limits - Entire parish of Catahoula - R.S. 34:2151
(b) Board of Commissioners - R.S. 34:2152
(c) Bonds - $15 million - R.S. 34:2155

15. Lafayette Harbor & Terminal District -
(a) Territorial Limits - Entire parish of Lafayette - R.S. 34:291
(b) Board of Commissioners - R.S. 34:292
(c) Bonds - R.S. 34:300

16. Lake Charles Harbor & Terminal District -
(a) Territorial Limits - R.S. 34:2201 (within Calcasieu Parish)
(b) Board of Commissioners - Article XIV, §30.2; R.S. 34:2602
(c) Bonds - Article XIV, §31; R.S. 34:209, 210

17. Lake Providence Port Commission -
(a) Territorial Limits - R.S. 34:2401 - Entire parish of Providence
(b) Board of Commissioners - R.S. 34:2402
(c) Bonds - $15 million - Article VI, §33(L)

18. Madison Parish Port Commission -
(a) Territorial Limits - R.S. 34:2401 - Entire parish of Madison
(b) Board of Commissioners - R.S. 34:2402
(c) Bonds - R.S. 34:2404 (c) - "bonds shall not be issued requiring principal and interest payments in any year in excess of eighty percent of the tax revenues..."

19. Morehouse Port, Harbor & Terminal District -
(a) Territorial Limits - parish of Morehouse - R.S. 34:3001
(b) Board of Commissioners - R.S. 34:3002
(c) Bonds - $15 million - R.S. 34:3005

20. Morgan City Harbor & Terminal District -
(a) Territorial Limits - Part of St. Mary Parish - R.S. 34:321
(b) Board of Commissioners - R.S. 34:322
(c) Bonds - $15 million - R.S. 34:3205

21. New Iberia Port District -
(a) Territorial Limits - Sixth ward of Iberia Parish - R.S. 34:241
(b) Board of Commissioners - R.S. 34:242
(c) Bonds - Article XIV, §31; R.S. 34:250

22. Red River Waterway -
(a) Territorial Limits - All territory located within the parishes of Avoyelles, Rapides, Natchitoches, Red River, Grant, Bossier, and Caddo. R.S. 34:2301
(b) Board of Commissioners - R.S. 34:2307, 2303
(c) Bonds - Article XIV, §31; R.S. 34:2

23. Plaquemines Parish Port Authority -
(a) Territorial Limits - Coextensive with the parish of Plaquemines - R.S. 34:1351
(b) Board of Commissioners - R.S. 34:1352
(c) Bonds - R.S. 34:1356 - "the amount of such bonds outstanding at any one time shall not exceed in the aggregate ten percent of the assessed valuation of the taxable property within the district..."

24. Pointe Coupee Port, Harbor & Terminal District -
(a) Territorial Limits - parish of Pointe Coupee - R.S. 34:2151
(b) Board of Commissioners - R.S. 34:2452
(c) Bonds - R.S. 34:2455 (c) - negotiable bonds "or notes outstanding at any one time shall not exceed in the aggregate ten percent of the assessed valuation of the taxable property within the district..."

25. Port of New Orleans -
(a) Territorial Limits - parishes of Jefferson, St. Bernard, and Orleans. Acts 1896, No. 70; Article 321, La. Const. (1913); Article XXII, §11 La. Const. (1921)
(b) Board of Commissioners - Article VI, §17; R.S. 34:1
(c) Bonds - $95 million - Article VI, §16.6

26. Rapides Parish Port Commission -
(a) Territorial Limits - Entire parish of Rapides - Article VI, §36.1(E)
(b) Board of Commissioners - Article VI, §36.1(A)
(c) Bonds - $5 million - Article VI, §36.1(K)

27. St. Bernard Port, Harbor & Terminal District -
(a) Territorial Limits - Coextensive with the parish of St. Bernard - R.S. 34:1701
(b) Board of Commissioners - R.S. 34:1702
(c) Bonds - R.S. 34:1712 - "the amount of such bonds (Ad valorem tax bond) outstanding at any one time shall not exceed in the aggregate ten percent..."
28. South Louisiana Port Commission —
   (a) Territorial Limits — Article VI, §33.1 — The parishes of St. Charles, St. John the Baptist, and St. James
   (b) Board of Commissioners — Article VI, §33.1
      Bonds — $25 million - Article VI, §33.1
29. Tangipahoa Parish Port Commission —
   (a) Territorial Limits — Wards six, seven, and eight of Tangipahoa Parish — R.S. 34:1953
   (b) Board of Commissioners — R.S. 34:1951
   (c) Bonds — $25 million — R.S. 34:1954
30. St. Tammany Parish Port Commission —
   (a) Territorial Limits — Entire parish of St. Tammany — R.S. 34:2002
   (b) Board of Commissioners — R.S. 34:2001
   (c) Bonds — R.S. 34:2004 — negotiable bonds "shall not be issued requiring principal and interest payments in any year in excess of eighty percent of the revenues..."
31. Tensas Parish Port, Harbor & Terminal District —
   (a) Territorial Limits — Entire parish of Tensas — R.S. 34:2281
   (b) Board of Commissioners — R.S. 34:2282
   (c) Bonds — $15 million — R.S. 34:2295(A)
32. Terrebonne Port Commission —
   (a) Territorial Limits — Entire parish of Terrebonne — R.S. 34:2203
   (b) Board of Commissioners — R.S. 34:2201
   (c) Bonds — "The total principal amount of all bonds outstanding as of the date of the issuance of any new bonds shall never exceed ten percent of the assessed valuations of the taxable property within the port area..." — R.S. 34:2204(c)
33. Union Parish Port, Harbor & Terminal District —
   (a) Territorial Limits — the parish of Union — R.S. 34:3051
   (b) Board of Commissioners — R.S. 34:3052
   (c) Bonds — $15 million — R.S. 34:3055
34. Vinton Harbor & Terminal District —
   (a) Territorial Limits — Ward seven of Calcasieu parish — R.S. 34:334.1
   (b) Board of Commissioners — R.S. 34:334.2
   (c) Bonds — R.S. 34:334.8
35. West Calcasieu Port, Harbor & Terminal District —
   (a) Territorial Limits — R.S. 34:2103
   (b) Board of Commissioners — R.S. 34:2101
   (c) Bonds — R.S. 34:2109
36. West Cameron Port, Harbor & Terminal District —
   (a) Territorial Limits — Wards three, four, five, and six of Cameron Parish — R.S. 34:2551
   (b) Board of Commissioners — R.S. 34:2552
   (c) Bonds — $15 million — R.S. 34:2555

MINUTES

Minutes of the Subcommittee on Special Districts; Transportation, Ports, and Harbors of the Committee on Local and Parochial Government of the Constitutional Convention of 1973

Held pursuant to notice mailed by the Secretary of the Convention on June 18, 1973
Committee Room 206, State Capitol Building
Baton Rouge, Louisiana
Friday, June 22, 1973, 10:00 a.m.

Presiding: Terry R. Reeves, chairman. Subcommittee on Special Districts; Transportation, Ports, and Harbors

Present: Terry Reeves
Harvey Cannon
Etham Chatelain
George Dewey Hayes
Frank Ullo

Chairman Reeves called the meeting to order and stated that the minutes of June 15, 1973, were distributed. Mr. Chatelain offered a motion to delay action on the minutes until the subcommittee had an opportunity to review them. The motion carried without objection.

The chairman stated that representatives from St. Bernard Parish were present and requested an opportunity to present their views.

Mr. Charles Livaudais, assistant district attorney for St. Bernard Parish, was introduced. Mr. Livaudais addressed his remarks to the compromise proposal drafted by Jefferson Parish and Orleans Parish representatives. He stated that this document was drafted without counsel from St. Bernard Parish, and asked that the subcommittee delete St. Bernard Parish from this draft. He stated that St. Bernard Parish does not want to be left out of the constitution; they want to be included with their own authority.

Senator Samuel Nunez, Jr., was introduced and he stated that the New Orleans Dock Board had agreed six years ago to put in a clause saying "nothing in this provision shall affect the parishes of St. Bernard and Plaquemines." Senator Nunez stated that St. Bernard Parish "is not here to destroy the New Orleans Dock Board, but we don't want them grabbing up the entire parish of St. Bernard." He asked the subcommittee to consider removing St. Bernard Parish from the territorial limits of the New Orleans Dock Board.

Mr. Henry C. Schindler, Jr., president of the St. Bernard Parish Police Jury, was introduced. A copy of his presentation is attached hereto and made a part of these minutes.

The chairman then recognized Representative Elmer Tapper who stated that St. Bernard Parish needs to be able to develop itself. He asked the subcommittee to favorably consider the suggestions offered by representatives from St. Bernard Parish.

Mr. Louis Munster, member of the St. Bernard Parish Police Jury, was introduced and explained that once the Mississippi River Gulf Outlet was constructed, St. Bernard Parish had to build a levee system to protect itself. He explained that this levee system, designed by the Corps of Engineers, is on a thirty to seventy percent basis, but the taxpayers of St. Bernard have already spent two million dollars on this project. He explained that if the parish had been represented on the dock board at the time the gulf outlet was proposed, a provision would have been made to include a levee system. He stated that the parish of St. Bernard should not be under the jurisdiction of the New Orleans Dock Board.

Mr. Chalin Perez, representing the parish of Plaquemines and a portion of St. Bernard Parish, stated that the construction of the proposed connecting link between the river and the outlet would seriously affect the lives of many of the people in Plaquemines Parish.

Mr. Roy Gonzales, vice president of the St. Bernard Parish Police Jury, appeared and stated that during the public hearings held by the Corps of Engineers several months ago, every speaker from St. Bernard Parish was against the location of this proposed link in St. Bernard Parish.

The chairman introduced Mr. Dennis Grace, deputy director [155]
for Trade Development for the New Orleans Dock Board. He stated that the dock board has operated over the past seventy-six years in the parishes of St. Bernard, Orleans, and Jefferson with the authority presently in the constitution. He also stated that the dock board does intend to build in St. Bernard Parish, and that it has bought and is buying real estate to provide spoil areas. Mr. Grace stated that it would be disastrous if St. Bernard Parish was removed from the jurisdiction of the New Orleans Dock Board.

Mr. Cyrus Guidry, representing the New Orleans Dock Board, was introduced, and he stated that the territorial limits of the port encompassing St. Bernard Parish does not have any effect on the construction of the connecting link between the river and the outlet. He stated that this is a federal project approved in 1955, and in 1956, the governor designated the dock board to be the assuring agency. He stated that construction was subject only to the selection of a site by the chief engineer of the Corps of Engineers.

After discussion, the subcommittee recessed for lunch at 12:15 p.m.

Upon reconvening at 2:00 p.m., Mr. Chatelain moved that the subcommittee adjourn. However, the motion failed by a vote of one for and three against.

Mr. Perez submitted a proposed draft to the subcommittee relative to the New Orleans Dock Board. However, Mr. Chatelain offered a motion to adopt and report to the full committee the proposal drafted by the staff with the insertion of Mr. Ullio’s recommendations. Mr. Perez stated his strong opposition to this proposal, but the proposal was adopted by a unanimous vote of the subcommittee.

Mr. Hayes offered a motion that a provision be adopted that would include the South Louisiana Port Commission in the constitution, and that this provision be verbatim to the present constitutional provision. The motion carried without objection.

Mr. Chatelain offered a motion that the minutes of June 15, 1973, be approved. The motion carried without objection.

Having nothing further to come before the subcommittee, the subcommittee adjourned at 3:30 p.m.

Terry R. Reeves, chairman

STATEMENT OF HENRY C. SCHIDLER, JR., PRESIDENT, ST. BERNARD PARISH POLICE JURY


WE SUSPECT THE TOKEN RECOGNITION OFFERED THIS PARISH IN THE RESTRUCTURING OF THE BOARD IS MERELY A STRATAGEM TO GAIN THIS PARISH’S ACCEPTANCE OF FUTURE DOCK BOARD PROJECTS i.e., THE PROPOSED SHIP LOCK AND CANAL AND THE FURTHER PHYSICAL EXPANSION OF THE MISSISSIPPI RIVER GULF-OUTLET.

AS PRESIDENT OF THE POLICE JURY THIS STRATAGEM WILL NOT WORK, WE ARE CONVINCED THAT THESE PROPOSED PROJECTS ARE DETRIMENTAL TO OUR INTEREST AND WE ARE CONFIDENT THAT WE HAVE THE TALENT, ABILITY AND MOTIVATION NECESSARY TO DEVELOP OUR OWN WATERFRONT RESOURCES WITHOUT THE PATERNAL PATRONAGE OF THE BOARD OF COMMISSIONERS PORT OF NEW ORLEANS.

NOTES
Subcommittee Proposal relative to Deep Water Ports is reproduced above with the Minutes of the full committee for June 28, 29, 30, 1973.
5. Subcommittee on the Affairs of the City of New Orleans

MINUTES

Minutes of the Subcommittee on the Affairs of the City of New Orleans of the Committee on Local and Parochial Government of the Constitutional Convention of 1973

Held pursuant to notice mailed by the Secretary of the Convention on April 16, 1973

Mayor's Dining Room, City Hall
New Orleans, Louisiana
Friday, April 20, 1973, 9:00 a.m.

Presiding: Johnny Jackson, Jr., Chairman of the Subcommittee on the Affairs of the City of New Orleans

Present: Johnny Jackson, Jr. Absent: Dorothy Mae Taylor
Joseph Giarrusso, Sr. Mary Zervigon

The chairman called the meeting to order, and considerable discussion ensued concerning the responsibility and functions of the subcommittee.

Mr. Giarrusso offered a motion to delete Article XIV, Section 46 dealing with the New Orleans domed stadium from the constitution and place it in the revised statutes. Mrs. Zervigon offered a substitute motion with a proviso that no limit be placed upon the ability of the commission to deal with finances. The motion and substitute motion carried.

Mr. Jackson recommended that Article XIV, Section 31.1 be removed from the constitution and placed in the statutes; the subcommittee agreed.

The subcommittee then discussed the section dealing with the Vieux Carre Commission, and generally agreed to retain it in the constitution.

The next item on the agenda concerned the disposition of the Board of Commissioners of the city of New Orleans. Mr. Giarrusso stated that he wished the record to read that "all men who serve on this board are fine individuals and are to be commended for their service." He then offered a motion to remove this agency from the constitution and place it in the city charter. Mrs. Zervigon offered a proviso to this motion that enabling legislation be enacted to facilitate this move. It was so agreed.

Mr. Giarrusso moved that Sections 23 through 23.43 be removed from the constitution and placed in the revised statutes until enabling legislation could permit removal to the city charter. It was stated that a proviso should be added which would permit the city to acquire property in other parishes as is necessary; it was so agreed.

After considerable discussion, it was agreed to refer Section 25 to the Subcommittee on Revenue and Taxation with a proviso that if it is removed from the constitution, a suitable provision will be made to insure payment of this revenue to the police and firemen.

Considerable discussion ensued concerning the disposition of the Public Belt Railroad. It was agreed that this issue would be discussed at the full committee meeting on April 27, 1973.

The committee adjourned at 1:00 p.m.

Subcommittee on the Affairs of the City of New Orleans
Room 203, State Capitol
Friday, April 27, 1973, 10:00 a.m.

Presiding: Johnny Jackson, Jr., Chairman of the Subcommittee

The chairman called the meeting to order, and a lengthy discussion ensued concerning the committee's position on those articles under its purview. Mr. Giarrusso submitted arguments as to why the Sewerage and Water Board should be retained in the constitution. It was decided that the Sewerage and Water Board should be deleted from the constitution, but Mr. Giarrusso asked that the public be informed as to the reason for transferring the board from the constitution, and under what authority the board would be constituted.

Chairman Jackson requested that the research staff write a memorandum to the Executive Committee and the Attorney General's office regarding the disposition of the Sewerage and Water Board, if it is deleted from the constitution. The chairman also asked that some of the comments be reworded.

The committee recessed at 12:30 p.m. and reconvened at 1:30 p.m.

Discussion ensued on when voting should be held on the provisions assigned to the Subcommittee on the Affairs of New Orleans. A motion was offered by Chairman Jackson for the members of the subcommittee to cast votes on various provisions assigned to the subcommittee. The motion was overruled.

Joseph Giarrusso offered a motion that the committee reconsider at a future date the various positions on
all of the articles that have been submitted to the sub委员会. The motion was approved. Another motion was offered by Mr. Giarrusso that a letter be written to the chairman of every board and commission or other agency to present in writing additional recommendations as to whether the board should be deleted or retained in the constitution and that these recommendations be presented by May 4, 1973. The motion was approved.

An amendment was offered to Mr. Giarrusso's earlier motion that the date of May 7, 1973, be scheduled for the next meeting and the tentative meeting place will be in New Orleans at the City Hall. The motion was approved.

Mr. Giarrusso offered the motion for adjournment.

The subcommittee adjourned at 1:45 p.m.

Johnny Jackson, Jr., Chairman of the Subcommittee

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MINUTES

Minutes of the Subcommittee on the Affairs of the City of New Orleans of the Committee on Local and Parochial Government of the Constitutional Convention of Louisiana of 1973

Held pursuant to notice mailed by the Secretary of the Convention on April 30, 1973

New Orleans Public Library
New Orleans, Louisiana
Monday, May 7, 1973, 10:00 a.m.

Presiding: Johnny Jackson, Jr., Chairman of the Subcommittee on the Affairs of the City of New Orleans

Present: Johnny Jackson, Jr., Dorothy Mae Taylor, Joseph Giarrusso, Sr., Mary Zervigon

Chairman Jackson called the meeting to order and stated the agenda called for the hearing of testimony prior to voting on the provisions under discussion. A motion was made and passed unanimously requesting all speakers to attempt to confine their remarks to ten minutes.

Mr. Bernard B. Levy, representing the Louisiana Stadium and Exposition District, was introduced. Mr. Levy submitted a presentation in the form of a letter to the chairman.

The chairman introduced Mr. Harry McCall, Jr., representing the Union Passenger Terminal. A copy of Mr. McCall's presentation was distributed to the members of the Subcommittee.

Testimony was then presented by Mr. A. J. Waechter, counsel; and Philip Webb, general manager, representing the New Orleans Public Belt Railroad. Mr. Waechter advised that this agency would have a report regarding reorganization of the board and possible relationship with the dock board to submit to the subcommittee within three weeks. He informed the subcommittee that major difficulties regarding drafting of laws, reorganization, etc., would be encountered if the railroad is removed from the constitution. He added that the railroad must retain their authority to refund maturing bonds and their bonding authority.

Mr. Chester Nieth, secretary of the Board of Liquidation of City Debt, was introduced. During his presentation, Mr. Nieth emphasized if the Board of Liquidation were not in existence, the problem would exist as to how the taxes and bonds would be serviced. Mr. Nieth reiterated that the board wished to maintain their constitutional status.

The chairman introduced Mr. Pat Koloski, representing Mayor Landrieu. Mr. Koloski presented two separate resolutions, copies of which are attached hereto and made a part of these minutes. He also read a statement by Mayor Landrieu, a copy of which is also attached to these minutes. A copy of a letter from Mr. Robert Konrad, director of the Civil Service Commission, is also attached to these minutes.

The chairman introduced Messrs. Ulisse Nolan, president pro tem, Stuart Brehm, executive director, and Jack Gordon, special counsel, all representing the Sewerage and Water Board; and voiced their reasons for retention of the board in the constitution. Mr. Nolan submitted a copy of the editorial from the Alexandria Daily Town Talk, a copy of which is attached and made a part of these minutes.

Mr. Chip Weignand, representing the Council for a New State Constitution, presented a resolution from the council, a copy is attached to these minutes.

After reconvening from lunch, the chairman introduced Mr. Wayne Collier, executive director of the Vieux Carre Commission. Mr. Collier presented a document which was distributed to the delegates of the convention. He stated that the effectiveness of the Vieux Carre Commission could only be maintained through constitutional status. Mrs. Zervigon presented a proposed amendment to the provision a copy of these amendments were distributed to the members. The subcommittee voted unanimously to retain the commission in the constitution.

The subcommittee then discussed Article XIV, Section 23, and Sections 23.1 through Section 23.43. Mrs. Zervigon
Mr. Chalin Perez, Chairman  
Committee on Local and Parochial Government of the Constitutional Convention  
Baton Rouge, Louisiana

Dear Mr. Perez:

It has been brought to our attention that there is some concern in your committee relative to the fate of Article XIV, Section 25, entitled "New Orleans: special tax for fire and police departments."

We understand that some assurance has been requested from the City Administration to safeguard the incomes of New Orleans Police and Firemen in the event that this section is deleted from the Constitution.

May this letter then serve as assurance that if Article XIV, Section 25 is deleted from the Constitution, then the City Administration and the Civil Service Commission will implement a revised pay plan for New Orleans Police and Firemen to include the income derived from the three (3) mills provided by Article XIV, Section 25.

It is our hope that this section will be deleted from the Constitution, as we are opposed to any constitutional dedication of millage for the City of New Orleans.

May we also request that our present level of millage be safeguarded, in the event that your committee delete all sections concerning dedicated millage from the Constitution. We only ask that the City of New Orleans be able to determine its own priorities with the resources available to us. Any dedicated revenues in the Constitution only encumber our priority-making capacity.

"An Equal Opportunity Employer"

Mr. Chalin Perez  
-2-  
May 4, 1973

I thank the committee for considering this request and again I wish you good luck in your endeavours.

Sincerely,

Mayor  
Honorable Johnny Jackson

cc: Honorable Johnny Jackson

Enclosure

This is in response to your memorandum dated May 2, 1973 in which you indicate concern on the part of the Committee on Local and Parochial Government of the Constitutional Convention relative to Article XIV, Section 25. Specifically, concern was expressed that, if the dedicated millage is deleted from the Constitution, the personnel of the Fire and Police Departments will risk losing the "end-of-the-year" distribution derived from these taxes.

Please be assured that should Article XIV, Section 25 be deleted from the Constitution and the Constitution is passed, the Civil Service Department will make recommendations to provide in the pay plan for the retention or replacement of the income now provided to each eligible Fire and Police employee by this year-end distribution, with the understanding that no reduction in the salaries of other City employees would take place.

William R. Konrad  
Director of Personnel

Mr. Chalin O. Perez  
Chairman of the Committee on Local and Parochial Government  
Louisiana Constitutional Convention  
Second Floor, State Capitol  
Baton Rouge, Louisiana

Re: Recommendations for a Proposed Constitutional Civil Service Provision for the Cities

Dear Mr. Perez:

In connection with the activities of your committee, I am sending you herewith my own personal views for a possible constitutional provision to provide civil service for the cities of the state.
CITY CIVIL SERVICE PROPOSED
CONSTITUTIONAL PROVISION

A. City Service or Civil Service of the city means all officials and positions of trust or employment in the employ of the city or any department, independent agency or other agency, board, or commission. (Source: Section 15, Article XIV; (A)(3).

B. The classified City Civil Service shall include all officers and employees in the City Civil Service except (1) officers elected by the people and persons appointed to fill vacancies in elective offices, (2) heads of principal departments appointed by the mayor or other governing body of any city, (3) city attorneys, (4) members of city boards and commissions, (5) one principal assistant or deputy, one attorney and one person holding a confidential position to any officer, board or commission mentioned in 1, 2, and 4, except the City Civil Service Department, (6) officers and employees of the Office of the Mayor and City Attorneys, (7) commissioners of elections and watches, custodians and deputy custodians of voting machines, (8) all persons employed and deputies selected by sheriffs, clergymen of courts and officers of record except those presently in the classified service. Additional exceptions may be made and revoked by rules adopted by the Commission. (Source: Section 15, Article XIV; (G).

C. There is hereby created and established in the city government of each city having a population exceeding 300,000, a Department of City Civil Service, the administrative head of which shall be the Director of Personnel to be appointed as hereinafter provided. (Source: Section 15, Article XIV; (b).

D. There is hereby created and established a City Civil Service Commission for each city having a population exceeding 300,000, to be composed of three citizens who are qualified voters of the city in which they serve. One member of the Commission shall be appointed by the governing body of the city. The other two members of the Commission shall be appointed as follows:

The President of the six oldest colleges or universities located in or nearest to the city concerned shall each nominate one person, and two members of the Commission shall be appointed by the governing body of the city from the panel of six persons. One of the commissioners first appointed shall serve for two years, one for four years, and one for six years. The respective terms of the first appointees shall be designated by the governing body of the city. Vacancies shall be filled in the same manner as the original appointments. Each succeeding appointee shall serve for six years. Provided that appointment to fill a vacancy for an unexpired term shall be only for the unexpired term. Each commissioner shall serve until his successor has been appointed, and members of the existing Commission shall continue to serve until the first commissioners are appointed pursuant to this section. No member of the Commission shall be removed except for cause after being given a copy of the charges against him and an opportunity to be heard publicly on such charges by his appointing authority. Members of the Commission shall each be paid fifty dollars ($50.00) for each day devoted to the work of the Commission but not more than two thousand dollars ($2,000.00) in any year. They shall also be entitled to reimbursement for actual expenses. (Source: Section 15, Article XIV; (D) & (E) & (K).

E. The Commission shall appoint a Director of Personnel, with or without competitive examination, who shall be in...
the classified service. The Director shall appoint such personnel and staff and have such powers and perform such duties as are authorized and delegated to him by the Commission.

F. Permanent appointments and promotions in the classified City Civil Service shall be made only after certification by the Department of Civil Service under a general system based upon merit, efficiency, and fitness as ascertained by examinations which, so far as practical, shall be competitive, and employees and officers in the classified service shall be employed from those eligible under such certification. The Commission shall adopt rules for the method of certification of persons eligible for appointment and promotion and shall provide for appointments defined as emergency and temporary appointments where certification is not required.

G. No person having gained permanent Civil Service status in the classified City Civil Service shall be subjected to disciplinary action except for cause; nor shall any classified employee be discriminated against by reason of his political or religious beliefs, sex, or race. Any classified employee so discriminated against or subjected to such disciplinary action shall have the right of appeal to the City Civil Service Commission.

The burden of proof on appeal, as to the facts, shall be on the employee. (Source: Section 15, Article XIV: (A) (1) (2).

H. The Commission is vested with broad and general rule-making powers, including subpoena powers, for the administration and regulation of the classified City Civil Service including, but not limited to, regulation of employment, promotion, demotion, suspension, reduction in pay, removal, certification, qualifications and all other personnel matters and transactions, the adoption of a uniform pay and classification plan, employment conditions, compensation and disbursements to employees, and generally to carry out and effectuate the objectives and purposes of the merit system of Civil Service as herein established.

I. No member of the City Civil Service Commission and no officer or employee in the classified service shall participate or engage in political activity or be a candidate for nomination for election to public office or be a member of any national, state or local committee of a political party or faction nor make or solicit contributions for any political party, faction or candidate nor take active part in the management of the affairs of a political party, faction or candidate or any political campaign except to exercise his right as a citizen to express his opinion privately, to serve as a commissioner or as an official watcher at the polls and to cast his vote as he desires. No person shall solicit contributions for political purposes from any classified employee or official nor use or attempt to use his position in the City Civil Service to punish or coerce the political action of such person.

J. The Commission is authorized to make investigations into violations of the provisions of this section and the rules or laws adopted pursuant hereto.

K. The rules adopted pursuant hereto shall have the effect of law. The Commission may impose penalties for their violation in the form of demotion in, or suspension or discharge from, position with attendant loss of pay. (Source: Section 15, Article XIV: (J) (O) (4).

L. Any person who willfully violates any provision of this section or of the laws adopted by the legislature pursuant hereto shall be guilty of a misdemeanor and shall upon conviction, be punished by a fine of not more than $500.00, or by imprisonment for not more than six (6) months, or both. (Source: Section 15, Article XIV: (P) (3).

M. Upon the effective date of this amendment, all officers and employees of the city who have Civil Service status in the classified service of the city shall retain said status in the position, class, and rank that they have on such date and shall thereafter be subject to and governed by the provisions of this amendment and the rules and regulations adopted under the authority hereof.

Resolution
BY:
The Local and Parochial Committee of the Council for a new State Constitution

We are in favor of matters governing the establishment, jurisdiction

Page Five.

Page Seven.
and composition of all boards, agencies, commissions, districts and authorities and like bodies, as being suitable and proper for appropriate legislative action and determination and/or for inclusion under home rule charters of the governing authorities wherein situated. By this we mean that such boards, agencies, commissions, districts and authorities and like bodies should not be included in the new State Constitution.

NOTES
Alexandria Daily Town Talk editorial of April 30, 1973 relative to utility rates and city services is omitted.

MINUTES
Subcommittee on the Affairs of the City of New Orleans of the Committee on Local and Parochial Government of the Constitutional Convention, 1973

 Held pursuant to a notice mailed by the Secretary of the Convention
City Hall, New Orleans, Louisiana
June 23, 1973, 10:30 a.m.

Presiding: Johnny Jackson, Jr., Chairman

Present
Mary Servigon
Joseph Giarrusso

Absent
Dorothy Taylor

The meeting was called to order at 10:30 a.m. and a quorum was noted by the chairman.

General discussion ensued concerning the adoption of a draft of the subcommittee's report to the full committee. Mr. Giarrusso questioned Mr. Collier, representing the Vieux Carre, about the methods employed by other cities to preserve their unique landmarks, particularly the Georgetown section of Washington, D.C. A proposal was unanimously approved by the subcommittee to provide for a Vieux Carre Commission in the new constitution.

Mr. Dennis B. Grace and Mr. Edward S. Reed, representatives of the Board of Commissioners of the Port of New Orleans (Dock Board), made brief presentations to the subcommittee. The subcommittee deferred any action on those sections of the constitution affecting the Public Belt Commission until it receives a report from the joint committee comprising the Dock Board, the Public Belt, the City of New Orleans, and the Domed Stadium Board.

The subcommittee adjourned at 1:10 p.m.

Johnny Jackson Jr., Chairman
6. Subcommittee on Transitional Measures

MINUTES

Minutes of the Subcommittee on Transitional Measures of the Committee on Local and Parochial Government of the Constitutional Convention of Louisiana of 1973

Held pursuant to notice given by the Secretary in accordance with Convention rules

State Capitol - Committee Room 4
Baton Rouge, Louisiana
Wednesday, August 15, 1973

Present: Walter I. Lanier, Jr., Chairman of the Subcommittee on Transitional Measures

Absent: I. Jackson Burson

Joseph A. Conino
Terry Reeves
Joseph F. Toomy
Mary Zervigon

The chairman called the meeting to order and roll was called. A quorum being established, the meeting proceeded.

Mr. Lanier, subcommittee chairman, stated that the purpose of the subcommittee was to consider the various ways to handle the transition of present constitutional material, not included in the committee proposal, to the statutes and to report its recommendations to the full committee.

The staff passed out a status sheet which listed each section of the present constitution assigned to the committee as primary responsibility and the new number of the section if the committee retained it in the proposal. On the status sheet there were four columns under the section dealing with provisions removed from the 1921 Constitution. The column headings were: (1) Unconstitutional, obsolete, etc.; (2) Repealed by committee; (3) Place in statutes, super vote; (4) Place in statutes, majority vote. Mrs. Zervigon suggested the following procedure for the subcommittee:

1. Recommend placing all sections not included in new Constitution in statutes without change;
2. Not declare anything obsolete leaving that to be done by the legislature;
3. Go over each section and recommend whether to place it in either the super vote or majority vote category. Those sections placed in the super vote category would be subject to amendment or repeal only by a two-thirds vote of the legislature; those in the majority category could be amended or repealed by a majority vote of the legislature.

Mrs. Zervigon's suggestion was approved by the committee.

The committee first took up the recommendations suggested by the Subcommittee on Special Districts; Sewerage, Water, Levee, and Other Related Districts. A copy of the memorandum submitted by the subcommittee is attached hereto and made a part of these minutes as Appendix A.

The subcommittee, without objection, recommended placing the following sections in the statutes in the majority vote category:

Art. XIV, §§3(b), 34, 35, 36, 37.1, 38, 38.1, 39, 39.1, 43, 44, 44.1; Art. XV, §1, 2, 4; Art. XVI, §11.1.

The subcommittee recommended placing the following sections in the super vote category: Art. XIV, §47 on a vote of three to one:

FOR: Conino, Reeves, Zervigon
AGAINST: Toomy

Art. XV, §3 on a vote of three to two:

FOR: Lanier, Conino, Zervigon
AGAINST: Reeves, Toomy

The subcommittee decided to delay action on the section in Article XVI until the next meeting.

Meeting was adjourned.

Walter I. Lanier, Chairman

MEMORANDUM

TO: Members of the Committee on Local and Parochial Government
FROM: Joseph Conino, chairman, on behalf of the Subcommittee on Special Districts; Sewerage, Water, Levee, and Other Related Districts
RE: Recommendations of the Subcommittee on Special Districts, Sewerage, Water, Levee, and Other Related Districts of the Committee on Local and Parochial Government of the Constitutional Convention of 1973

The Subcommittee on Special Districts recommends the deletion of the following sections of the constitution and the placement of those sections in the revised statutes, subject to amendment by a vote of two-thirds of both houses:

Article XIV Parochial and Municipal Affairs
Section 3(b) East Baton Rouge Park and Recreation Commission
34 Garbage Districts

June 15, 1973
Minutes of the Subcommittee on Transitional Measures of the Committee on Local and Parochial Government of the Constitutional Convention of Louisiana of 1973

Hold pursuant to notice given by the Secretary in accordance with Convention rules
Wednesday, October 24, 1973
State Capitol - Committee Room 4
Baton Rouge, Louisiana

Presiding: Walter I. Lanier, Jr., Chairman of the Subcommittee on Transitional Measures

PRESENT
Walter I. Lanier, Jr.
Ethan Chatelain
Joseph A. Conino
Johny Jackson
Joseph F. Toomy
Mary Servigon
Terry Reeves

ABSENT
I. Jackson Burson
R. Gordon Ren

The chairman called the meeting to order and roll was called.
A quorum being established, the meeting proceeded.

The minutes of the August 15, 1973, subcommittee meeting were handed out to the committee. Mr. Lanier asked that his name be corrected to read Walter I. Lanier, Jr. Mr. Conino asked that his name be corrected to read Joseph A. Conino, and on page 3 the next to last paragraph was corrected to read: "The subcommittee decided to delay action on the Sections in Article XVI until the next meeting." Mr. Conino moved for adoption of the minutes with the above corrections. Without objection, the motion carried.

The committee continued with the report of the Subcommittee on Special Districts; Sewerage, Water, Levee, and Other Related Districts. Mr. Conino, chairman of the subcommittee, presented the recommendations for Article XVI on Levee Districts, which had been passed over at the last meeting. The subcommittee, without objection, recommended placing the following sections in the statutes in the majority vote category: Art. XVI, §§4, 7, 8, and 8(A); Art. XIX, §20. Mrs. Servigon moved that Section 1 of Article XVI be provided for by a provision in the transition schedule. Without objection, the motion carried.

The committee next took up the report of the Subcommittee on the Affairs of the City of New Orleans. Mr. Jackson, chairman of the subcommittee, presented the subcommittee recommendations. The subcommittee, without objection, recommended placing the following sections in the majority vote category: Art. XIV, §§22(A), 23-23.43, 24, 24.1-24.23, 31.1, 31.3, 31.4, 31.7; Art. XIV, §§26, 77, and 28 were placed in the majority vote category by votes of four for and one against. The voting on all three sections was as follows:

FOR
Chatelain
Conino
Toomy
Servigon

AGAINST
Jackson

Sections 25 and 25.1 of Article XIV were passed over until a later date.

The subcommittee next took up the report of the Subcommittee on Special Districts; Transportation, Ports, and Harbors. Mr. Reeves, chairman of the subcommittee, presented the subcommittee recommendations. With reference to the following provisions, Delegate Reeves moved that a transition schedule provision be prepared in accordance with Article VI, Section 50 as adopted by the Constitutional Convention of 1973 to transpose the following provisions of the 1921 Constitution: Art. VI, §§16.1, 16.2, 16.3, 16.4, 16.5, 16.6, 17, 29, 29.1, 29.2, 29.3, 29.4, 33.1, 34; Art. XIV, §§30.2, 31.

The subcommittee, without objection, recommended placing the following sections in the statutes in the majority vote category: Art. VI, §§27, 31, 32, 33, 35, 36.1; Art. XIV, §§30.1, 30.3, 30.4, 30.5, 31.6, 45.

The subcommittee recommended placing Section 6 of Article XIV in the statutes in the majority vote category with Mr. Toomy's being the only objection to the motion.

The staff was requested to prepare a list of the sections that the committee has not yet covered.

Meeting was adjourned.
MINUTES

Minutes of the Subcommittee on Transitional Measures of the Committee on Local and Parochial Government of the Constitutional Convention of Louisiana of 1973

Held pursuant to notice given by the Secretary in accordance with Convention rules

Friday, November 2, 1973
State Capitol - Committee Room 1
Baton Rouge, Louisiana

Present: Walter I. Lanier, Jr., Chairman of the Subcommittee on Transitional Measures

Present
Walter I. Lanier, Jr.
Ethan Chatelain
Joseph A. Conino
Joseph F. Toomy
R. Gordon Kean

Mr. Lanier, subcommittee chairman, called the meeting to order and roll was called. A quorum being established, the meeting proceeded.

The minutes of the subcommittee meetings of August 15 and October 24, 1973, were handed out to the committee. Mr. Conino offered a motion to adopt the minutes. Without objection, the motion carried.

The staff handed out a memorandum which showed the sections of the present constitution which the committee had not taken action on. A copy of the memorandum is attached hereto and made a part of these minutes as Appendix A.

The subcommittee decided to take no action on Art. IV, §§ 5 and 6, relative to local or special laws, because both sections were being handled by the Committee on Legislative Powers and Functions.

The subcommittee, without objection, recommended placing the following sections in the statutes in the majority vote category:
Art. X, §10(A); Art. XIV, §§3(d), 19, 25, 10, 32, and 48.

On the motion of Mr. Conino the subcommittee suspended a rule previously adopted by the committee not to include anything in the obsolete category. In the same motion the following sections were declared obsolete by the subcommittee: Art. XIV, §§3(e), 3(f), 3(g), 13, 18 and 31.1.

Without objection, the subcommittee passed over Art. X, §9, Tax Assessor, and Art. X, §10(B), Revenue Sharing Fund, since they were included in Committee Proposal No. 26 on property taxation.

Mr. Kean pointed out that Art. XIV, §31, was covered by Section 8 of Committee Proposal No. 17, relative to home rule charters, and Art. XIV, §33 was taken care of in Section 24 of Committee Proposal No. 17, relative to assistance to industry.

The subcommittee, without objection, recommended providing a transitional schedule provision for the following sections on home rule charters: Art. XIV, §§31(a), 31(c), 31(d) second d), 22 and 37.

Mr. Lanier asked the staff to draw up transition schedule provisions for the present sections on home rule charters and deep-water ports and distribute them to members of the subcommittee as soon as feasible so that they might consider them for inclusion in the report to the full committee.

Mr. Lanier also requested that the staff prepare a report listing what the committee had placed in the following categories: (1) constitutional material; (2) two-thirds category; (3) simple statutes; and (4) transitional material needed.

Mr. Kean moved that the meeting be adjourned. Without objection, meeting was adjourned.

APPENDIX A
State of Louisiana Constitutional Convention of 1973 P.O. Box 1724 Baton Rouge, Louisiana 70822 Telephone 1-800-774-7080

MEMORANDUM
TO:
Walter Lanier, Chairman, Subcommittee on Transitional Measures of the Committee on Local and Parochial Government

FROM:
Steve Glassell, Research Staff

RE:
STATUS OF SUBCOMMITTEE WORK AFTER TWO MEETINGS

The subcommittee still needs to decide into which column on the status sheet the following sections will be placed for transitional purposes:

<table>
<thead>
<tr>
<th>Article</th>
<th>Section</th>
<th>Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>VI</td>
<td>5</td>
<td>Local or special laws; indirect enactment; repeals Local or special laws; notice of intention; publication. Note: this provision has been adopted as Section 13 of Article III, Legislative Department</td>
</tr>
<tr>
<td>X</td>
<td>10A</td>
<td>Special tax for municipal services</td>
</tr>
<tr>
<td>XIV</td>
<td>3</td>
<td>Optional plans of parochial government East Baton Rouge Parish Jefferson Parish; charter commission; plan of government Parish Charter Commission Acquisition, Financing, of revenue improvements St. Bernard Parish; home rule powers, plan of government St. Charles Parish; charter commission plan of government Parish charter commission; its duties, powers, functions and limitations City of Shreveport bonds ratified and refunded Municipal ice factories Special tax to aid public utilities; elections; qualification of voters New Orleans; election of officers; form of government; powers; home rule charters New Orleans; special tax for fire and police departments Improvements by riparian owners in cities over 5,000 or within port of New Orleans; expropriation; just compensation</td>
</tr>
</tbody>
</table>

October 25, 1973

[165]
Minutes of the Subcommittee on Transitional Measures of the Committee on Local and Parochial Government of the Constitutional Convention of Louisiana of 1973

Held pursuant to notice given by the Secretary in accordance with Convention rules

Wednesday, November 14, 1973

Independence Hall

Baton Rouge, Louisiana

Presiding: Walter I. Lanier, Jr., Chairman of the Subcommittee on Transitional Measures

PRESENT
Walter I. Lanier, Jr.
Ethan Chatelain
Joseph A. Conino
Johnny Jackson
Joseph F. Toomy
Mary Zervigon
Terry Reeves
I. Jackson Burson
R. Gordon Keen

ABSENT
None

Mr. Lanier, committee chairman, called the meeting to order; and roll was called. There being a quorum established, the meeting proceeded.

The staff distributed a draft of a subcommittee report. It included a disposition chart (status sheet) and schedule provisions for home rule charters and deep-water ports which it had been requested to prepare. A copy of the schedule provisions is attached hereto and made a part of these minutes as Appendix A.

Mr. Burson moved to reject the schedule provisions. Mr. Keen offered a substitute motion to approve the provisions and refer them to the full committee. The substitute motion carried without objection.

Mr. Reeves moved that the staff prepare a final report categorizing the transitional material by article, section and title. There were no objections to the motion.

Mr. Chatelain moved to approve the report of the subcommittee and report out to the full committee. The motion carried on a vote of five for and two against.

FOR
Lanier
Chatelain
Conino
Burson
Keen

AGAINST
Toomy
Reeves

There being no further business, meeting was adjourned.

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Two provisions to be included in the Schedule Article:

ARTICLE XIV. SCHEDULE

Section_____. Ratification of Home Rule Charters
Section_____. All provisions of Article XIV, §§3(a), 3(c), 3(d) [second], 22, and 37 of the Louisiana Constitution of 1921 are expressly retained and made a part of this constitution by reference.

Section_____. Transposition of Provisions of Constitution of 1921 Relative to Ports to Statutes; Amendment or Repeal
Section_____. All provisions of Article VI, §§16, 16.1, 16.2, 16.3, 16.4, 16.5, 16.6, 17, 29, 29.1, 29.2, 29.3, 29.4, 33.1, 34, and Article XIV, §§30.2 and 31 of the Louisiana Constitution of 1921 shall become statutes subject to amendment or repeal only as provided in Article_____, Section____ of this constitution.
II. Staff Memoranda

RE: Provisions for Annexation

Constitutional Provisions

When a municipality annexes territory, that area is often being provided services, usually water and sewerage, by parish-created special districts. Prior to the passage of this amendment, governments had to work out agreements between themselves relative to tax levies, disposal of facilities and retirement of outstanding debt. The legality of such arrangements and the right of parties to become involved in them was questioned.

This amendment intends to clarify this situation in regard to water and sewerage districts. It provides that a municipality annexing territory included in a water and/or sewerage district may contract with the special district governing body to grant either the municipality or the special district exclusive right to provide services in the annexed area.

If the municipality is given the right to service the area, the special district may continue to levy taxes in the annexed area for the retirement of any outstanding tax-secured bonds and may continue to levy such maintenance taxes as were previously authorized. However, no new taxes can be assessed by the district on the annexed property. The amendment further authorizes municipalities and special districts to convey title to facilities in special districts to one another, provided reasonable compensation can be agreed upon (see Attachment 1).

Statutory Provisions

Sections 151-160 and 171-180 of Title 33 of the Revised Statutes provide for the alteration of municipal boundaries, excepting the city of New Orleans. Prior to 1972, there were two means by which property could be annexed: 1) by petition and subsequent elections in the territory to be annexed and in the municipality affected. 2) by petition and subsequent municipal ordinance. The first method was outlined in Section 151 and the second, in Section 172.

Act 126 of 1972 amended Section 151 to provide separately for annexation petitions in Rapides Parish and in parishes with populations between 115,000 and 125,000. It also added Section 157.1 to allow the governing authorities of Rapides Parish to accept or reject the petition if approved by voters in the territory to be annexed without holding a referendum among the citizens of the municipality to be affected.

RE: Requirements for annexation of property by a Municipality under Acts 126 and 338 of 1972

Act 126, amending Section 151 of Title 33 of the Revised Statutes, provides that bona fide owners of land lying contiguous and adjacent to the territorial corporate limits of a city or town, who desire that such land be annexed to and included in the corporate limits of such city or town, shall present to the mayor or governing body of said city or town a petition setting forth their desire that said land be annexed and also setting forth the boundaries and an accurate description of the land.

One-third in number and value of bona fide owners of any land lying contiguous and adjacent to the territorial corporate limits of any city or town, except the City of New Orleans, is required, or, one-half in number and value of bona fide owners of land lying contiguous and adjacent to the corporate limits of any city or town in a parish which has a population between one hundred fifteen thousand and one hundred twenty five thousand persons, or, one-fourth in number of bona fide owners of any land lying contiguous and adjacent to the corporate limits of any city located in Rapides Parish.
The Act further provides that in Rapides Parish, after the expiration of the publication of the result of the election, if a majority in number of the qualified voters voting at such election have voted in favor of annexation, the municipal authorities of the city or town may then accept or reject the proposed annexation.

Act 338, amending Section 172 of Title 33 of the Revised Statutes, provides requirements for a petition to annex property and alternative methods for annexation.

The Act requires, before any ordinance enlarging the boundaries of a municipality can be valid, that a petition containing the written assent of a majority of registered voters and a majority in number of the resident property owners, as well as 25% in value of the property owners within the area proposed to be included in the corporate limits according to the certificate of the parish assessor, must first be presented to the governing body of the municipality. The requirement for a majority of registered voters will not apply if there are no registered voters in the area.

The City of New Orleans is specifically excluded from incorporating any area of Jefferson, Plaquemines or St. Bernard Parishes.

Notice by publication of the filing of the petition is required to be given once in some newspaper published or having general circulation in the municipality. No annexation ordinance can be adopted until 10 days after publication of the notice. Anyone desiring to be heard with reference to the ordinance must notify the clerk or secretary of the municipality in writing, and the governing authority of the municipality must then grant a hearing before adopting the ordinance.

Any municipality is authorized to annex contiguous areas without a petition provided at least 75% of the boundary of the area is common to the boundary of the municipality. However, such annexation must be reasonable and in the best interest of the overall community, the provisions for notice must be met, and the ordinance will not become effective until the district court of the judicial district in which the municipality lies has ruled after a contradictory trial with the owner or owners of the areas to be annexed, that the annexation is reasonable and in the best interest of the over-all community.

Municipalities are also authorized to annex contiguous areas after the question has been submitted to the qualified voters residing within the area to be annexed in a special election and a majority have voted in favor of annexation. Any municipality may call such an election upon petition signed by at least 25% of resident property owners residing in the area and by owners of at least 25% in value of the resident property in the area.

Act 338 cites complaints from citizens that annexation of areas to the corporate limits of a municipality could be achieved by assent of 25% in number and value of the property owners within the area proposed to be included and states as its purpose the intent to change the law to provide that the petition to annex territory be signed by a majority of the registered voters and a majority in number of the resident property owners and 25% in value of the property of the resident property owners.

Act 126 has no such provision for a majority of registered voters to sign the petition for annexation, nor does it require a majority in number of the resident property owners.

Act 338 requires notice by publication and a hearing if requested before an annexation ordinance becomes valid. Act 126 makes no such provision.

Act 338 authorizes annexation without a petition where 90% of the boundary of the area to be annexed is common to the boundary of the municipality and the annexation is reasonable and in the best interest of the community. This method requires a ruling by the district court of the district where the municipality is located, after a contradictory hearing with the property owners, that the annexation is reasonable and in the best interest of the over-all community. Act 126 has no such provision.

Act 338 provides for annexation after special election without a petition or on the basis of a petition signed by owners of 25% in value of the resident property within such area.

Act 126 has no provision for annexation by special election.

Act 338 specifically states that its provisions do not apply to Rapides Parish. Apparently, the only way to annex property in Rapides Parish is under the provisions of La. R.S. 33:157.1 which was added to the law by Act 126 of 1972.

(This analysis of these two acts does not take into account the fact that the constitutionality of Act 338 is presently in question)

Louisiana Legislative Council

Memorandum

December 28, 1972

RE: Legal, technical and practical aspects to be considered in connection with any proposal to divide the parish of Ouachita into two parishes

This memorandum explores some of the more basic constitutional, statutory, and practical requirements which would be necessary in order to divide the existing parish of Ouachita into two parishes, with the Ouachita River forming the common boundary between the two new parishes thus created.

The constitutional provisions applicable to the division of an existing parish into two parishes are first listed below, with pertinent comment with respect to the matter at hand.

Constitutional provisions:

Article XIV, Section 1 authorizes the Legislature to establish and organize new parishes but provides that "no new parish shall contain less than six hundred and twenty-five (625) square miles, nor less than seven thousand (7,000) inhabitants; nor shall any parish be reduced below that area or number of inhabitants." (Emphasis added)

Comment. According to the 1970 Census of the United States, the population of Ouachita Parish is 115,387; the population west of the Ouachita River is 39,199 and that east of the Ouachita River is 76,188. Therefore, it seems clear that any division of the parish under which the Ouachita River forms the common boundary would fail within the population requirement of the constitution. However, the total land area of Ouachita Parish, according to the U. S. Census Reports of 1970, is listed at 638 square miles. We have made no assessment of the actual square miles contained in that portion of the existing parish lying on the east and west sides of the river; however, it appears that roughly two hundred seventy-three square miles of the land area lies on the east side of the river. Since the total area of the parish now exceeds the constitutional requirement by only some thirteen square miles, it seems obvious that any division into two new parishes would fail to meet this requirement, and no such
division would be permissible without amendment to the constitution specifically allowing the division as to Ouachita Parish or changing the general requirement above recited.

There are presently twenty-five (25) parishes with land areas of less than 405 square miles. The existing parishes having land areas of 270 square miles or more are: West Baton Rouge (203 square miles), Orleans (105 square miles), St. John the Baptist (250 square miles) and St. James (253 square miles). These parishes are smaller than those that would be East Ouachita, which would only contain approximately 273 square miles; however, all of these parishes were created prior to the adoption of the 1921 Constitution in which the present land area limitation appears.

Forty-three parishes have populations less than the 39,199 persons which would compose a new West Ouachita Parish. The existing parishes having the smallest populations are Caldwell (8,517) and Cameron (1,685).

Article XIV, Section 2, provides that "All laws changing parish lines, or removing parish lines, shall, before taking effect, be submitted to the electors of the parish or parishes to be affected thereby, at a special election held for that purpose, and the lines, or the parish lines, shall remain unchanged unless two-thirds of the total vote cast at such election in each parish affected thereby, shall be in favor thereof."

Comment. In a 1910 decision the Louisiana Supreme Court, in Sanders v. Sanders, 125 La. 396, 51 So 436, found that Article 278 of the Constitution of 1898 (Article XIV, Section 2 of the 1921 Constitution is identical), authorizing a change of parish lines by a two-thirds vote, when read with Articles 277 and 279 of that constitution (Article XIV, Sections 1 and 4 of the 1921 Constitution), which provides for the creation of new parishes and the changing and merging of parishes, did not apply to the creation of a new parish, though the effect was to change the lines of the old parish. Therefore, it appears from the pertinent constitutional provisions and the Supreme Court decision that the only thing necessary to create a new parish is a majority vote of the legislature if the parish contains sufficient population and land area.

Article XIV, Section 3 provides that "Whenever a parish shall be enlarged or created from territory contiguous thereto, it shall be entitled to a just proportion of the property and assets, and be liable for a just proportion of the existing debts or liabilities of the parish or parishes from which such territory shall have been taken."

Comment. The Supreme Court, speaking about Article 180 of the 1898 Constitution (Article XIV, Section 5) in Sanders v. Sanders, supra., stated at page 436 that "The apportionment here required to be made between the new parish and the old of the property and assets and liabilities of the old parish, is thus required to be made whenever the new parish is created. . . . Doubtless it would suffice for the Legislature to fix the basis for the apportionment thus required to be made, and let the parties, or the courts, work out the details, but at least not it provide a basis for the apportionment, else there is no basis upon which to make it." It may be deemed advisable that the creating legislation include as a substantial measure the details of the division of the assets and debts of the former parish in order to avoid the possibility of confusion and litigation.

The legislature used the provisions here cited to create the Parish of Beauregard out of the Parish of Calcasieu by way of Act No. 8 of 1912. Section 5 of Act No. 8 required the assets and liabilities to be divided between the two parishes as follows: "Each parish shall take the public immovable property situated within the limits of said parish, and shall assume and pay whatever balance may be due thereon after January 1st, 1913, and neither parish shall

Have any claim against the other on account of such public buildings or improvements. The remaining assets and liabilities of the parish shall be divided in such proportions as the present assessed valuation within the territory of which the parish of Beauregard is formed shall bear to the total present assessed valuation of the parish of Calcasieu, as existing May 1st, 1912." This is the method used since 1910 in creating new parishes to make the division of assets.

If this form is used to divide Ouachita Parish into two parishes, West Ouachita would acquire very little public immovable property in the way of public buildings and the like; therefore, the new parish would find it necessary to purchase land and construct a courthouse, parish jail and other buildings to house all the new parish and some district offices. East Ouachita, on the other hand, would be required to take over any outstanding debt owing on these kinds of buildings in that parish without the benefit of the taxes collected in West Ouachita to pay for them.

The following statutory provisions relate to the creation of a new parish (R.S. 33:1 - 33:12):

R.S. 33:1 provides that " Immediately after the effective date of an act creating a new parish, the governor shall appoint and commission for the new parish five police jurors, who shall possess the qualifications required for police jurors, and two members of the board of election supervisors. These officers and the other officers appointed in accordance with this Part shall have the same powers and duties and receive the same compensation as other like officers throughout the state, and shall serve until their successors are duly elected or appointed and qualified, in accordance with this Part, or with the other laws of the state."

Comment. This law and the following provisions set out in detail how the new parish government shall be set up and spells out the costs which the new parish must assume in connection therewith.

R.S. 33:2 provides for the organization of the police jury; appointment of a registrar of voters of the police jury, division of the parish into not less than five separate wards to be known as Justice of the Peace and Police Jury wards, fix the limits of the voting precincts therein; designate polling places in the wards and precincts; fix the date for the holding of a special election, at which shall be elected for the parish a representative, a clerk of court, a sheriff, an assessor, a coroner, and for each ward one police juror, one member of the school board, one justice of the peace, and one constable, and all other parish officers required to be elected by the people; and prescribe the conditions under which a municipality may compete at this special election for the location of the permanent parish seat.

Comment. R.S. 33:1 and 33:2 points forcefully the large number of parish officials for which a newly created parish must assume responsibility. The list includes at least ten categories, namely, police jurors, school board members, board of election supervisors, registrar of voters, justices of the peace, constable, clerk of court, sheriff, assessor and coroner. Others such as a parish treasurer, parish attorney and the like might be deemed necessary. The new parish would be required to find sufficient funds to pay the salaries, per diem or other compensation of its elective and appointive officials and funds for their employees, the expenses of their offices and buildings and supplies and equipment for their operations. It appears that there are at least five wards within the boundaries which would compose the new parish of West Ouachita; however, due to the great discrepancy in population between the wards, reapportionment likely would be necessary. In such event the city of West Monroe apparently would get approximately forty percent of the representation on the police jury.

East Ouachita would have to set up a completely revised government, as its wards would have to be reapportioned to give Monroe City approximately seventy percent of the parish police jury. Elections might be necessary to replace any officials who were forced to resign because they now live in the area which would fall within the new West Ouachita Parish.

R.S. 33:3 states that "As soon as the new parish is divided into Justice of the peace and police jury wards as provided in R.S. 33:2, the registrar of voters in the parish shall make a complete registration of the qualified electors in the parish in which he shall complete no less than ten days prior to the date fixed for the special election provided for in R.S. 33:3.""}

Comment. All the voters in West Ouachita must register in the new parish. They are not automatically moved from the rolls of the old parish to the new parish.
parish.

R.S. 3:14 provides for the selection of a parish seat.

R.S. 3:15 states that "as soon as the permanent location of the parish seat in the new parish is determined as required in R.S. 3:14 the police jury shall provide the requisite public lots, buildings, offices, scales, books, and appurtenances for the parish and for the various offices thereof."

Comment: This law provides for the setting up of the governmental process necessary to the operation and functioning of a newly formed parish. The new parish government must provide the requisite public lots, buildings, offices, scales, books, and appurtenances for the parish and for the various offices thereof.

The division of Ouachita Parish into East and West Ouachita parishes will apparently require constitutional change with respect to the land area to be included in each. This could be by a general provision reducing the land area requirement for any future district of an existing parish or by a specific provision limiting application to the Ouachita Parish situation. It may well be a matter which could be directed to the attention of the Constitutional Convention of 1973, since a large number of parishes in the state could not be divided because of the present provision.

Neither parish would be the smallest in the state in either land area or population. However, the presently outstanding debt and existing financial obligations of Ouachita Parish, which now is borne by some 115,000 people, is equalized with the cost to the lesser number of people in the new parishes, each of which must provide most of the same services, may result in curtailment of quantity and quality of services each can support, particularly in the beginning.

Some of the initial expenses for the newly created parish includes:

(1) Election of officers; funding of salaries and benefits for officers and their employees.

(2) Assumption of all delinquent taxes, fees, equipment, building and construction, and furnishing and equipping and maintaining or operating same.

(4) Creating a new sheriff's department.

(5) Reregistering all qualified voters.

(6) Paying for the transfer of all records dealing with any property or person in the new parish.

(7) Creating and financing a new school system.

(8) Creating all necessary special districts or agencies needed by the parish.

Conclusion

The division of Ouachita Parish into East and West Ouachita parishes will apparently require constitutional change with respect to the land area to be included in each. This could be by a general provision reducing the land area requirement for any future division of an existing parish or by a specific provision limiting application to the Ouachita Parish situation. It may well be a matter which could be directed to the attention of the Constitutional Convention of 1973, since a large number of parishes in the state could not be divided because of the present provision.

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(7) Creating and financing a new school system.

(8) Creating all necessary special districts or agencies needed by the parish.

Comment: With this new parish comes the costs of supplying new offices for all district officers who will be located in that parish, as well as the parish's proportionate share of the cost of maintaining the district offices and employees.
RE: Provisions for Recall

Constitutional Provisions

Article 9, Section 9 authorizes the legislature to pass laws for the recall of any state, district, parish, municipal or ward officer, except judges of the courts of record and except as otherwise provided by the Constitution.

Statutory Provisions

Sections 341-357 of Title 42 of the Revised Statutes provide the means for recalling all public officials, excepting judges of the courts of record. A recall petition, signed by 25 per cent of the number of voters in the official's constituency, is directed to the Governor. The petition designates a chairman and a vice-chairman to act on behalf of the petitioners. Within ten days of receiving the petition, the parish registrar of voters certifies the number of petitioners and the number of electors in the voting area. The Secretary of State certifies that the requisite number of voters has signed the petition before it is presented to the Governor. Within five days of receiving the petition, the Governor issues a proclamation ordering a special election to be held on the first Tuesday after the sixtieth day from the date of proclamation. The style and content of the ballot are specified by La. R. S. 42:351. If a majority of the voters choose to recall the official, the Governor declares the office vacant, and it shall be filled by the ordinary means. If the voters fail to recall the official on the appointed day, there can be no further attempt to recall him for eighteen months.

RE: Existing Provisions for Acquisition of Property by Parish and Municipal Governments.

CC/73 Research Staff
Subcommittee of Committee on Local and Parochial Government Drafting General Provisions on Local Government
March 30, 1973
Staff Memorandum No. 4

Constitutional Provisions

Article 1, Section 2 provides that "Except as otherwise provided in this Constitution, private property shall not be taken or damaged except for public purposes and after just and adequate compensation is paid".

Article IV, Section 12 allows "the State, or any agency or political corporation or subdivision thereof" to acquire property for donation to the United States government for enumerated public purposes.

Article XIV, Section 14 (b.2) allows local governments to acquire industrial plant sites and to acquire or construct plant buildings and other appurtenances in order to encourage industrial enterprises. Section 14 (b.3), incorporating La. R. S. 39:991-1001, provides for the issuance of revenue bonds by political subdivisions and taxing districts for the purpose outlined in Section 14 (b.2). Note: Sections 993 and 996-1001 of Title 39 of the Revised Statutes were amended by Act 433 of 1972.

Article XIV, Section 14 (m) allows the legislature to authorize municipalities to issue bonds to improve or acquire revenue-producing public utilities.

Article XIV, Section 16 provides that parishes may "acquire servitudes of way by prescription in the manner prescribed by law".

Statutory Provisions

Local Services Law:
La. R. S. 33:3329 allows units of local government to acquire property in order to effectuate agreements they make to provide local services cooperatively.

Airport Zoning Law:
La. R. S. 2:389 authorizes political subdivisions to acquire air rights, servitudes, or other interests necessary to effectuate the Airport Zoning Law, that is, Title 2, Chapter 3, of the Revised Statutes.

Bonds to Acquire Plant Sites:
La. R. S. 39:991-1001 detail the means through which political subdivisions may accomplish industrial encouragement allowed by Article XIV, Section (b.2).
Public Improvements:
La. R. S. 33:4621-4624 allow municipalities and parishes to acquire property for their public purposes; to own and provide for airports, parks, and bombing ranges; to lease or donate same to the federal government; and to apply all existing expropriation laws.

La. R. S. 33:4671-4673 provide authority for municipalities with populations exceeding 25,000 persons to build, own, and operate a municipal auditorium or convention hall.

La. R. S. 34:361-366 allow municipalities and parishes to acquire property and construct works in order to improve or build canals and other navigable watercourses. They are authorized to issue bonds and levy taxes in order to cooperate with state and federal governmental authorities, and, for solely federal improvements, to acquire necessary lands and donate them to the United States.

Public Utilities:
La. R. S. 19:101 authorizes municipalities to expropriate electric lights, gas, or water works plants when to do so is in the public interest.

La. R. S. 33:4162 provides that any taxing division authorized to issue bonds under Article XIV, Section 14 may acquire and operate revenue-producing public utilities. No municipal corporation may purchase or lease gas fields for the purpose of producing gas wells. Parishes may lease gas lands, distributing systems, and wells.

Recreation:
La. R. S. 33:4511-4552, 4556-4557, and 4559 authorize municipalities to build golf courses on lands they own, acquire lands for playgrounds or recreation centers, accept donations, issue bonds to acquire facilities, and, when populated by more than 100,000 citizens, to acquire, equip, own, and operate opera houses and dramatic halls.

The traditional approach to constitutional home rule, the McBain theory, treated local governmental units and state governments as separate entities with unrelated spheres of legislative concern. The local unit was empowered to adopt a charter and to pass legislation relating to local affairs, often through a lengthy enumeration of powers. The state could only enact legislation of general concern. Traditional home rule encouraged repeated court battles as local and state governments sought to determine areas of general concern and to augment their respective legislative powers.

As a result of the confusion, the Colorado Governor's Local Affairs Study Comission reported in 1964 that the Colorado courts, rather than the legislature, had allocated jurisdiction and that, in general, they had given superior status to the state's authority when it conflicted with municipal jurisdiction (see Attachment 1).

The Fordham plan made the home rule charter the restricting instrument and recognized that no governmental powers are, by nature, exclusively local or general. It thereby eliminated the need for tedious court proceedings. The Fordham draft reads as follows:

A municipal corporation which adopts a home rule charter may exercise any power or perform any function which the legislature has power to devolve upon a non-home rule charter municipal corporation and which is not denied to that municipal corporation by its home rule charter, is not denied to all home rule charter municipal corporations by statute and is within such limitations as may be established by statute.*

During the last decade, many constitutional conventions and constitutional commissions revising state constitutions or writing new ones have adopted some modification of the Fordham plan. Article XI, Section 5 of the Texas Constitution, as amended in 1912, is an early partial adoption of the Fordham principle. It allows cities with populations exceeding 5,000 persons to write charters and exercise powers consistent with general laws. Yet the article sets municipal debt limitations and restricts the cities' taxing powers. Like the Texas provision, the Wisconsin home rule provision (Article XI, Section 3), adopted in 1961, applies only to municipalities.

Some recent constitutions have dealt separately with home-rule municipalities and with county governments:

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1) The Florida Constitution of 1968 grants similar residual powers to chartered counties [Article VIII, Section 1 (g)] and to chartered municipalities [Article VIII, Section 2 (b)].

2) The proposed constitution in Arkansas, rejected in 1970, included similar extensions of the Fordham plan to both kinds of local unit [Article VI, Sections 3, 12].
3) New Mexico's proposed constitution, rejected in 1969, authorized chartered cities [Article VI, Section 3 (0)] and consolidated city-county governments [Article VI, Section 4 (0)] to exercise all powers not expressly denied by charter or general law.

4) In Maryland, a state with strong county government, the convention's proposed constitution, rejected in 1968, applied the Fordham plan only to counties. Every county was directed to write an "instrument of government" and could thereafter exercise governmental powers, other than judicial functions, not denied by the instrument, the constitution, or the General Assembly (Article VII, Sections 7.02, 7.04). However, either the county or the General Assembly could grant, as well as withdraw later, all powers of the county to a municipality (Article VII, Sections 7.06, 7.07).

Other recent constitutions authorize identical powers to home rule municipalities and counties in the same section:

1) Article X, Section 1 of the Alaska Constitution of 1956 defines the article's purpose: "to provide for maximum local self-government with a minimum of local government units, and to prevent duplication of tax-levying jurisdictions." Cities are considered a "part of the borough in which they are located" (Article X, Section 7). The legislature classifies boroughs and cities, and "first class" units of both may adopt home rule charters (Article X, Section 9). The legislature may grant home rule status to other boroughs and cities (Article X, Section 10). Any borough or city with home rule powers may "exercise all legislative powers not prohibited by law or by charter" (Article X, Section 11).

2) The Illinois Constitution of 1970 provides that "Except as limited by this Section, a home rule unit may exercise any power and perform any function pertaining to its government and affairs..." [Article VII, Section 6 (a)]. The article makes no mention of the charter process. It grants automatic home rule to a county with an elected chief executive and to a municipality with a population exceeding 25,000 persons. Such a county or municipality may elect to reject home rule status. A municipality, but not a county, not granted automatic home rule may elect to take home rule powers [Article VII, Sections (a)-(b)].

All home rule units are granted specific power to provide for their officials and to fund necessary improvements and special services [Article VII, Section 6{(f),(i)}]. They are specifically denied the powers to provide for the punishment of a felony or incur debt for more than forty years [Article 6, Section 6 (d)]. Home rule units may be limited by the legislature in the performance of certain regulatory and fiscal functions [Article VII, Section 6 (e),(f),(k)]. Home rule units may exercise powers concurrently with the state unless prevented by law from doing so [Article VII, Section 6 (i)]. The General Assembly may preempt any powers of the local unit not enumerated within this article [Article VII, Section 6 (h)].

Finally, the 1972 Montana Constitution and the final report of the Washington Constitutional Revision Commission of June, 1969, allow for the development of future home rule units other than municipalities and counties:

1) The Montana Constitution defines local governmental units as including, but "not limited to, counties and incorporated cities and towns. Other local government units may be established by law" (Article XI, Section 1). The article directs the legislature to provide procedures for such units, or combinations thereof, and to adopt "self-government" charters (Article XI, Section 5). It further authorizes "a local government unit adopting a self-government charter" to "exercise any power not prohibited by this constitution, law, or charter" (Article XI, Section 6).

2) The Washington Revision Commission devotes the first four sections of Article VIII to describing the proposed home rule powers of "any county or city, or other local unit authorized by law to perform general governmental functions" (Article VIII, Section 3). Such a unit is authorized to "exercise any legislative power or perform any function which is not denied to it" by its charter, the constitution, or general laws applicable to units of its class (Article VIII, Section 4).

In summary, most recent constitutions grant local units residual home rule powers. A local unit's power is limited only by its charter, general law, and the constitution. Illinois modifies the Fordham plan by eliminating the charter process. At the same time, the Illinois home rule article restricts home rule and details ways by which the legislature may further restrict it.

Other modifications include the extension, in some recent constitutions, of residual home rule to county governments and to future local units of government which may be established.
NOTES
Attachment No. 1 which reproduces "Home Rule Cities" from Interim Report of the Governor's Local Affairs Study Comm. of 1964 is omitted.

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CC/71 Research Staff
Subcommittee of Committee on Local and Parochial Government Drafting General Provisions on Local Government
April 9, 1973
Staff Memorandum No. 6

RE: Constitutional Provisions for Home Rule Charter Alterations

Recent state constitutions vest in either the legislature and/or the home rule charter the power to provide charter writing and amending processes. The Wisconsin Constitution as amended in 1963 and the Florida Constitution of 1968 direct charter amendment "pursuant to state law." The constitutions of Montana (1972), Pennsylvania (1969), and Alaska (1959) direct the legislature to set general laws for the enactment of charter changes. Each of those three constitutions, however, authorizes the electorate or the governing authority of the chartered unit to initiate the process when the legislature fails to act as directed:

1) Montana Constitution, Article XI, Section 5 (2):
   "If the legislature does not provide such procedures by July 1, 1975, they may be established by election either:
   (a) Initiated by petition in the local government unit or combination of units; or
   (b) Called by the governing body of the local government unit or combination of units."

2) Pennsylvania Constitution, Article IX, Section 2:
   "If the General Assembly does not so provide, a home rule charter or a procedure for framing and presenting a home rule charter may be presented to the electorate by initiative or by the governing body of the municipality."

3) Alaska Constitution, Article X, Section 9:
   "In the absence of such legislation, the governing body of a borough or city of the first class shall provide the procedure for the preparation and adoption or rejection of the charter."

Although constitutions generally direct no charter change without approval of the majority of qualified electors, few other details encumber constitutional provisions for charter amendments. Only the Texas article of 1912, in providing that no charter shall be amended more often than biennially, limits the frequency of change. Only the final report of the Washington Revision Commission of 1969 prescribes the number of signatories necessary to validate a locally initiated amendment petition: qualified electors numbering not less than 10 per cent of the number who voted in the preceding general election (Article VIII, Section 3).

RE: Provisions in Recent Constitutions and Recent Constitutional Amendments authorizing consolidation of local governmental units and intergovernmental cooperation.

Recent state constitutions provide for jurisdictional changes of local governmental units in a variety of ways. The Hawaii Constitution authorizes the legislature to create counties and "other political subdivisions" within the state and to provide for the government thereof (Article VII, Section 1). Alaska's Constitution establishes a local boundary commission within the executive department of the state and authorizes it to recommend territorial changes to the legislature (Article X, Section 12). The Montana Constitution allows the changing of a county boundary or a county seat when approved by a majority of the voters in each affected county (Article XI, Section 2).

Some recent constitutions provide specifically for the merger and consolidation of local governmental units (see Attachment I). The Pennsylvania Constitution, adopted in 1968, directs the legislature to provide a uniform procedure for consolidation, authorizes local voters to order consolidation through initiative and referendum, and mandates the creation of an agency to advise municipalities on consolidation problems. The Florida Constitution of 1969 authorizes the consolidation of a county government with the government of one or more municipalities within it, and directs the legislature to pass general laws for the merger of municipalities. Limiting its consolidation provision to county government, the 1970 Illinois Constitution, like the Florida and Montana Constitutions, requires the approval of a majority of the voters in each affected county to effect a change. It directs the legislature to pass a general law for county consolidation. Finally, the North Carolina Constitution of 1971 provides that the merger of a county and a municipality shall result in the constitutional classification of the resulting unit as both a city and a county.
Like consolidation provisions, intergovernmental relations provisions in recent state constitutions lack uniformity (See Attachment II). The broadest provisions are those in the Alaska, Illinois, and Montana Constitutions. All three constitutions authorize local governmental units, including school districts in Montana and Illinois, to cooperate and contract with other local units within the state and outside it. They also provide for cooperation and contractual relations between a municipality and the state or federal government. The Pennsylvania constitution similarly allows a municipality to contract and cooperate with another local unit and with the state or federal government.

The constitutions of Hawaii, Connecticut, and Florida restrict cooperation by implication. The Hawaii constitution limits a local unit, with the approval of the legislature, to cooperate with another state and the federal government "in matters affecting the public health, safety, and general welfare." Unlike other state constitutions, both the Hawaii and the Connecticut constitutions place full responsibility for intergovernmental cooperation with the legislature. The Florida constitution limits cooperation by providing only for intrastate agreements.

For recent consolidation and cooperation provisions amendments to older state constitutions, see Attachment III.

NOTES
Text of the various constitutional provisions cited in the text of Memo No. 7 have been omitted.
Although a Montana study reports more special districts in America than municipalities and counties combined, special districts receive little detail in recent state constitutions. Legislative bodies usually derive authorization for their creation from a general power to establish local governmental units rather than from a specific constitutional sanction.

Students of local government have debated the rapid growth of special districts since World War II, and weighed alternative ways to control it. So long as local governments remain unable or unwilling to provide needed services, observers concede the need for the continuation of certain service districts. To discourage the creation of unnecessary districts, Russell W. Maddox and Robert F. Pugay, authors of State and Local Government (1966) suggest a constitutional measure: "...general purpose governments such as counties and municipalities must be granted adequate authority to meet the varying needs that develop within their jurisdictions." They further urge local officials to recognize and meet area needs before they become acute. (p. 543)

Several state constitutions provide generally for municipal or county regulation of special services. In Alaks, the legislature may delegate taxing powers to organized boroughs (counties) and cities only (Article X, Section 2). The constitution directs borough governments to create "service areas," but it encourages the utilization of existing areas in lieu of the establishment of new ones. No new service area can be created if the additional service required can be "provided by an existing service area, by incorporation as a city, or by annexation to a city." The borough also has some means of controlling the area's activities: It may alter or abolish a service area it has created (Article X, Section 5).

The Illinois Constitution empowers home rule units to impose taxes upon areas within their boundaries in order to finance special services (Article VII, Section 6). It limits the power of a special district to that specifically granted by law and prohibits the legislature from extending to any district the power to make a special assessment if the district had no such power prior to the adoption of the constitution (Article VII, Section 8). Unlike the Alaska Constitution, the Illinois Constitution hints at no means of local control over the operations of any special district.

Finally, the constitution of New York authorizes a local government to create special tax districts and apportion "its cost of a governmental service or function upon any portion of its area, as authorized by act of the legislature" (Article IX, Section 1(c)). Other constitutions, notably Hawaii, Michigan, and Massachusetts, vest the power to establish and provide for the government of special districts in the legislature.

Some experts believe the statutes, rather than the constitution, should direct improvements of special district government. John C. Bollens terms the legislature the "key to district
reform" in his book, Special District Government in the United States (1957). "Unhampered by state constitutional or local charter restrictions," he writes, the legislature has the responsibility to modify special districts (pp. 259-260).

The Advisory Commission on Intergovernmental Relations suggests statutory reform to encourage consolidation of existing special districts and to limit the creation of new ones. Specifically, it recommends the establishment of a local agency empowered to veto the formation of a new district (The Problem of Special Districts in American Government, Report A-22, 1964, p. 75).

One state recommendation for statutory reform is of particular interest. It provides: Colorado: Governor's Local Affairs Study Commission Local Government in Colorado, Final Report, September 1966 (352, 1/C7, Pt. 2).

County Government - It recommended a Special District Control Act (which was adopted) and legislation authorizing counties to establish subdistricts under the supervision of the county governing board to perform those municipal-type services in unincorporated areas now provided by special districts. Existing special districts could be transferred gradually to county control and phased out. This would be in keeping with the commission's basic philosophy that school districts, counties, and municipalities should be the basic local government units in the state.

In summary, no state constitution specifically permits a local governmental agency to enforce coordination between its offices and the special districts within its jurisdiction. When modern constitution-makers seek to limit the power of the special district, they may restrict the district's sources of revenue, vest the power to create the district in the local government unit with the approval of the legislature, and discourage the creation of unnecessary districts.

NOTES

Text of Alaska (1959) and Illinois (1970) constitutional provisions cited in the text has been omitted.

CC/73 Research Staff
Subcommittee on Special Districts:
Transportation: Ports and Harbors
of the Committee on Local and
Parochial Government
May 5, 1973
Staff Memorandum No. 10

RE: Authority of Constitutional Convention to limit terms of elected or appointed state or local officers.

As noted in Hoff v. Selker, 10 F. (2d) 234, restrictions placed on constitutional conventions have been uniformly held by the Supreme Court of Louisiana to have deprived the convention of the power to adopt measures "touching" upon those subjects which the Legislature specifically mentioned in the act calling the convention. State v. American Sugar Refining Co., 137 La. 407, 68 So. 742; Foley v. Dem. Can., 138 La. 220, 70 So. 104; Wayne v. Assessor, 143 La. 714, 79 So. 280.

The compensation allowed the clerk of the district court under Acts 1912, No. 212, making him ex officio registrar of voters, is not a salary, but fees, and Const. 1921, Art. VIII Sec. 18, providing for the appointment of a registrar of voters in a parish by the police jury, does not reduce the salary of the clerk of the court within the meaning of Acts 1920, No. 180, calling a constitutional convention and prohibiting it, among other things, from reducing the salaries of parochial or municipal offices, as the word "salaries" as there used means salaries, as distinguished from fees.

Neither restriction in call for constitutional convention, forbidding convention to reduce term of office, nor schedule of Constitution, deprived the Legislature of power to reduce terms of parish health officer or boards of health. Oeux v. Smith, 1926, 160 La. 617, 107 So. 466.

The proposal in the form of Acts 1913, Ex. Sess., No. 1, having been approved and ratified by the people, constituted a mandate to the convention about to be convened, containing a number of restrictions. Held, that article 190 of the Constitution of 1913, if applicable to the district attorney for the parish of Orleans, enlarged the duties of that official in violation of the provisions of existing laws, "touching, relating to, or in any manner affecting...the term of office, duties or compensation of any existing office" and was, therefore, in that particular, null and void. Held, further, that as under the law then existing, the district attorney of the parish of Orleans had no authority to represent the state except in criminal cases, and as his duties had not been enlarged so as to include civil cases, he had no capacity to represent the state in this litigation. State v. American Sugar Refining Co., 1915, 137 La. 407, 68 So. 742.

Acts 1912, No. 212, providing that the clerks of the district courts should be ex officio registrars of voters, which would be offices of trust and profit, in view of the then existing Const. 1913, art. 170, providing that no person should hold or exercise at the same time more than one office of trust or profit.
except that of justice of the peace or notary public, does not create a separate office, and the appointment of a registrar of voters by the police jury of a parish in pursuance of Const. 1921, art. 8, §18, is not a shortening of the term of office of a parochial officer, which is forbidden by Acts 1920, No. 180, calling the convention at which the constitution was adopted and limiting its powers.

La. 1921, Act No. 180 of 1920, calling a constitutional convention and providing (section 1, par. 4, subd. "b") that it shall not ordain or frame any article or provision whereby "the terms of office of parochial, or municipal officers, whether elected or appointed, shall be reduced or shortened," applies only to officers to which the incumbent has been elected or appointed. -- Lebran v. Police Jury of Plaquemines, 90 So. 423, 150 La. 14.

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NOTES

Text of the statute cited in the memo has been omitted.
RE: Ratification of existing units of government

Provisions relative to ratification of existing local governments in recent constitutions are usually placed in the transition schedule; however, the proposed Maryland Constitution included a ratifying section within the local government article. The proposed section prohibited the merger, dissolution, and boundary alterations of existing units without approval by the governing bodies of the units affected or except as prescribed by law (Article VII, Section 7.05).

The Florida schedule recognizes the status of municipalities, counties, and special districts and their "powers, jurisdiction, and government" [Article VIII, Section 6 (b)]. The Alaska schedule does likewise and adds a provision for the creation of new local subdivisions "only in accordance with this constitution" (Article XV, Section 3).

The Illinois schedule continues existing townships and orders boundary alterations to follow constitutional guidelines. Furthermore, it directs changes in the number of members on county boards in accordance with Article VII, Section 3 (a) [Transition Schedule, Section 5 (a), (b), (c)].

Finally, the most recent constitution, adopted by Montana in 1972, includes a general transition provision which protects existing local governmental bodies by implication: "The rights and duties of all public bodies" are retained [Transition Schedule, Section 6 (1)]

In summary, recent state constitutions ratify existing local governmental units in brief statements within the constitutions' schedules.

NOTES

Transition schedule provisions cited in the text of the Memo have been omitted.

CC/73 Research Staff
Subcommittee on Special Districts; Transportation; Ports; and Harbors of the Committee on Local and Parochial Government
May 5, 1973
Staff Memorandum No. 13

E: References in the constitution relative to Port of New Orleans being considered by Subcommittee on Special Districts; Transportation; Ports; and Harbors that are obsolete.

1) Article VI, Section 16: Part of this section is obsolete since references in it to bonded indebtedness have been superseded by Section 16.5. Section 16.5: Sets the bonded indebtedness at its present level of $95,000,000. In addition, references to the navigation canal are obsolete since the canal is now constructed. Specifically, reference made to contracts made with the Board of Levee Commissioners of the Orleans Levee District, city of New Orleans through the Belt Railroad Commission are archaic.

Reference to Act 180 of 1908 and Article 321 of the Constitution of 1913, and Act 133 of 1910 and Article 322 of the Constitution of 1913, is obviously no longer needed. Neither is reference to Act 244 of 1914.

2) Section 16.1: Archaic.

3) Section 16.2: Specifically Part 2 prohibiting tax exemption beyond 1960 is outdated.

4) Section 16.3: Unnecessary; self-operative provision.

CC/73 Research Staff
Subcommittee on Special Districts; Sewerage; Water; Levee; etc.
May 14, 1973
Staff Memorandum No. 14

RE: The effect upon the ability of the Stadium and Exposition District to refund bonds if Article XIV, Section 47 is removed from the constitution and placed in the statutes.

Under provision of Article XIV, Section 47(a) the stadium and Exposition District is authorized to issue refunding bonds and directed to "provide for the security of the bonds." Article XIV, Section 47(b) provides that "No bond issued under this amendment shall be secured by the faith and credit of the state."

According to the Louisiana Supreme Court, however, the state becomes responsible for any bonds issued by the district when a lease agreement between the state and the district becomes operative on July 1, 1974.

Article IV, Section 15 of the Louisiana Constitution of 1921 and Article I, Section 10 of the Constitution of the United States forbid state laws impairing the obligation of contract. The above-mentioned lease agreement pledges the faith and credit of the state. Outstanding bonds will be protected by contractual obligation. Refunding bonds slated for issuance in 1983 will be protected as well. The legislature must either authorize their issuance or appropriate funds to absorb the outstanding debt.

Therefore, if Article XIV, Section 47 is deleted from the constitution and made statutory, both outstanding bonds and the ability of the district to refund bonds will be secured.

Attached is the Preliminary Official Statement of June 22, 1971, which explains the contractual relationship between the state and the district and the obligation of the state to secure the bonds.

Sources: Oral reports from Henry Julien, Office of the Attorney General; Charles Gaiennie, Director of State Debt Management; and Benny Turcan, Division of Administration.
RE: The ability of the city of Lake Charles to reclaim portions of Lake Charles without constitutional sanction.

R.S. 9:1101 designates bayous, rivers, streams, lagoons, bays, lakes, and the beds thereof "not under the direct ownership of any person on August 12, 1910" as state lands. The statute reiterates Articles 450, 453, and 455 of the Revised Civil Code of 1870.1

A constitutional provision (Article XIV, Section 21)2 prohibits the legislature from alienating state lands except for purposes of reclamation. The provision, therefore, protects the right of the city of Lake Charles to reclaim portions of the bed of Lake Charles with legislative approval.

The issuance of municipal bonds for specified public improvements is authorized in Article XIV, Section 14(b.1).3 Because the city of Lake Charles has title to the lands in question, the provision assures the city's right to issue bonds, with legislative approval, in order to finance reclamation and lakefront development.

The 1970 report of the Law Institute recommends the deletion of Sections 39, 39.1, 44, and 44.1 of Article XIV from the constitution. The two constitutional provisions cited above suggest that the two amendments relative to the reclamation of Lake Charles by the city of Lake Charles and to the funding of lakefront improvements are transferable to the statute.

1See comments by Harriet E. Doppett, La. R.S., Title 9, Code Book II, Chapter I, p. 252.
2See Attachment I.
3See Attachment 1.

NOTES
La. Const. (1921) Art. 4, Sec. 2 and Art. 14, Sec. 14 are omitted.

The Bayou Lafourche Fresh Water District was authorized by Act 113 in July, 1950. It was given constitutional status by an amendment in November of that same year. In 1952, Act 192, a copy of which is attached hereto, amended Act 113. Both legislative acts as well as the constitutional amendment allocate the district to charge, on a gallonage basis, for furnishing water to the incorporated municipalities within its territory limits. The powers of the district are further protected by R.S. 33:4164, which allows it to make contracts with the municipalities it serves for the sale of water (See Attachment II). The constitutional provision is therefore not necessary, for the Bayou Lafourche Fresh Water District is already statutory.

The Constitutional Revision Commission of 1971 recommended the deletion of Article XV, Section 1, and the insertion of a general section "authorizing creation of special districts by the legislature with such powers as the legislature deems appropriate with certain limitations."1


NOTES
Statutory material cited in the Memo has been omitted.
Most state constitutions make some statement declaring the supremacy of the constitution and the supremacy, under the constitution, of general laws over local ordinances.

The Georgia statement (Article XII, Paragraph: 1, 2, 3, 4) seems to be the clearest and most direct of such statements.

NOTES
Constitutional supremacy clauses from the constitutions of Arizona, Oklahoma, Michigan, Texas, Montana (proposed), Hawaii, New Mexico (proposed), Alaska, Pennsylvania, Nebraska, Illinois, and National Municipal League Model State Constitution have been omitted.

CC/73 Research Staff
Subcommittee on Special Districts; Transportation; Ports; and Harbors of the Committee on Local and Parochial Government
May 25, 1973
Staff Memorandum No. 18

RE: Article XIV, Section 30; Why Louisiana Law Institute retained this section verbatim in its 1970 Constitutional Revision of Article XIV.

First, it should be noted that LSA-R.S. 34:22 and 34:23 provides for substantially the same thing.

The Law Institute could find no written reason in its files for retaining this section. However, Mr. R. Gordon Kean who was associated with the Institute at the time of the revision offered an explanation.

Mr. Kean stated that it was desirable at that time for the municipalities and the Port of New Orleans to have this authority in order to avoid conflict with Article I, Section 2 of the 1921 Louisiana Constitution—Due process; expropriation of private property for public purposes; just compensation; "...private property shall not be taken or damaged except...after just and adequate compensation is paid."

One of the provisions of the Sabine River Compact "is that nothing in the compact shall be construed as affecting any present or future rights or powers of the United States in, to, and over the waters of the Sabine River Basin."
"If either state builds reservoir storage on the tributaries of the Sabine located wholly within its boundaries and below the stateline, any reduction in the flow of the Sabine resulting from such storage is deducted from the state's share of the water; conversely, any increase in the Sabine's flow from released water from these reservoirs is added to the state's share. 5

"It is explicitly provided in the compact that all rights to any of the waters which have been obtained in accordance with the laws of the state are recognized and affirmed. It is further provided, however, that withdrawal of water for the satisfaction of such rights is subject to the availability of supply in accordance with the apportionment of water provided under the compact (Article III). Apparently, then, riparian rights are not to be affected by the compact, except that the taking of water under these rights cannot be so great as to use up more than the share apportioned to the state. It is further provided that withdrawals by the states shall not impair or prejudice the existing rights of users of Sabine River waters." 6

4Mark E. Borton and Harold H. Ellis, Some Legal Aspects of Water Use in Louisiana (Baton Rouge, La.) p.197. (Art. X)
5Ibid., p. 109. (Art. V d)
6Ibid., p. 111. (Art. V f)

NOTES
Constitutional provisions of Maryland (proposed), South Carolina, South Dakota, Texas, Ohio, Kentucky, Virginia, Wyoming, Missouri and Maryland have been omitted.

CC/73 Research Staff
Subcommittee on Special Districts; Transportation, Ports, and Harbors of the Committee on Local and Parochial Government
May 31, 1973
Staff Memorandum No.21

RE: Recommendations of the Subcommittee on Special Districts; Transportation, Ports, and Harbors.

The Subcommittee on Special Districts; Transportation, Ports, and Harbors has taken the following actions:

Article VI

Sections 16 through 16(b) and 17 - The Subcommittee has retained the Port of New Orleans in the constitution. Composition of the Board of Commissioners was changed and language modernized.

Section 24 - Bonds for New Orleans - Chef Menteur and New Orleans - Hammond Highways. The Subcommittee recommends it be deleted.

24.1 - Automobile license taxes; authorization to fund. The Subcommittee recommends that it be deleted.

Section 27 - Lake Pontchartrain; sale of submerged lands. The Subcommittee recommends that it be deleted.

Sections 29 - 29.4 - The Subcommittee recommends the retention of the Port of Baton Rouge in the constitution. Certain sections were transferred to the statutes and the right of eminent domain, purchase, lease or otherwise of land for industrial plant sites was added.

Section 31 - Greater Guadalupe Port Commission. The Subcommittee recommends that it be deleted and placed in the statutes.

Section 32 - Cadre - Bossier Parishes Port Commission. The Subcommittee recommends that it be deleted and placed in the statutes.

Section 33 - Lake Providence Port Commission. The Subcommittee recommends that it be deleted. The Port Commission is provided for in the statutes.

Section 33.1 - South Louisiana Port Commission. The Subcommittee recommends that it be deleted and placed in the statutes.

Section 34 - Concordia Parish Port Commission. The Subcommittee recommends that it be deleted. The Port commission is provided for in the statutes.

Section 35 - Avoyelles Parish Port Commission. The Subcommittee recommends that it be deleted. The Port commission is provided for in the statutes.

Section 36.1 - Rapides Parish Port Commission. The Subcommittee recommends that it be deleted and placed in the statutes.

Article XIV

Sections 6 - Property for navigation canals. The Subcommittee recommends that it be deleted.

Section 30 - Improvements by riparian owners; expropriation. The Subcommittee recommends that it be in the constitution with minor changes.

Section 39.1 - Port, harbor and terminal districts;

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creation. To be retained in the constitution since it was felt to be essential to the Lake Charles Harbor and Terminal District.

Section 30.2 - Lake Charles Harbor and Terminal District. Recommended by the subcommittee to be retained in the constitution.

Section 30.3 - Navigation and river improvement districts; creation. Recommended that it be deleted and placed in the statutes predicated on the adoption of Sec. 18 of the Louisiana Law Institute’s revision or a similar provision.

Section 30.4 - Navigation and river improving districts; effect on levee boards. Subcommittee recommends that it be deleted and placed in the statutes.

Section 30.5 - Red River waterway. Recommended by the subcommittee to be deleted; predicated on the adoption of the Louisiana Law Institute’s Sec 18.

Section 31 - Port, harbor and terminal districts; powers and duties; bonds. Subcommittee recommends that it be retained in the constitution since it was believed it was essential for the Lake Charles Harbor and Terminal District.

Section 31.6 - Houma International Airport Improvements. Subcommittee recommends that it be deleted and placed in the statutes.

Section 45 - Sabine River Authority. The subcommittee recommends that it be deleted. The authority is provided for in the statutes.

Proposals for the Ports of New Orleans, Baton Rouge, and Lake Charles are attached as is the Louisiana Law Institute’s Section 18 of its revision of Local and Municipal Affairs.

CC/73 Research Staff
Subcommittee on Finance of Committee on Local and Parochial Government
June 12, 1973
Staff Memorandum No. 22

-2-

RE: Withdrawal of municipalities by legislative charter from parish taxing authorities.

During the nineteenth century, Louisiana municipalities, incorporated by legislative charter, often exempted themselves from the taxing jurisdictions of the parishes in which they were located. Today, twenty-seven municipalities retain their legislative charters. According to Article XIV, Section 7 of the 1921 Constitution,

Whenever the legislative charter of any city or town, other than the city of Monroe, shall have withdrawn the same, in whole or in part, from the taxing jurisdiction of the parochial authority, no provision of this Constitution shall be construed to affect or repeal such partial or total withdrawal.

From the 1830’s until the turn of the century, municipal exemptions from parish taxation were simple and short. Between 1847 and 1855, three legislative charters, those of St. Martinville (1847), Abbeville (1850), and Marksville (1855) forbade parish authorities from taxing inhabitants or property within corporation limits except to build or repair parish jails and courthouses. The Clinton charter of 1852, however, allowed the parish to levy taxes within the municipality; but it provided that half the funds collected be returned to Clinton “for the purposes of improvements to the same.”

In the 1870’s the charters or amended charters of Covington (1870), Evergreen (1870), Franklin (1874), and Morgan City (1876) provided simply that municipal inhabitants pay no parish taxes.

By the twentieth century, the charters of Jeanerette (1910) and Thibodaux (1918)--a city now scheduled to operate under a home rule charter--reflected the earlier concern for municipal support of parish benefits and services. Like the legislative charters of the 1840’s and 1850’s, both charters allowed the police juries to assess municipal residents for the building and repair of jails and courthouses. They also provided for municipal sharing in the costs of “criminal expenses.”

More recently, amended legislative charters in several municipalities have extended police jury taxing powers within municipal corporate limits. Most amended charters also provide for municipal support for jails, courthouses, and criminal expenses. For example, a 1921 amendment to the Jeanerette charter allows the Iberia Parish Police Jury to tax municipal citizens for the construction and maintenance of a navigation canal connecting Bayou Teche with Bayou Portage. The New Iberia charter, as amended to 1971, allows the jury to levy a tax within the city for the purposes of the same canal with the limitation that, including taxes for -2-

jails, courthouses, and criminal expenses, such parish taxes "shall not exceed four mills on the dollar of the assessed valuation, in any one year...."

The Abbeville charter, amended by the town council in 1941, allows parish taxation for the building and maintenance of hard-surfaced roads and a parish library. In 1948, the Franklin Town Council amended the municipality’s charter to require citizens within its corporate limits to contribute to the salary of the parish assessor. In return for such payment, the assessor could be asked to prepare the assessment roll for the collection of municipal taxes.

A 1955 amendment to the St. Martinville charter allows the police jury to include the town in a drainage district "in the same manner that territory outside of said town is included within the confines of a drainage district...and full jurisdiction is vested in the Police Jury of the Parish of St. Martin...." Finally, the Plaquemine charter, amended to 1965, requires the town to levy a special tax “equal to the amount of that assessed by the Parish” for the support of parish schools.

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In summary, almost half of the twenty-seven municipalities which have retained legislative charters have retained exemptions from parish taxes, although these charters have been often amended by both the legislature and municipal legislative authorities. In general, they allow parish authorities to collect taxes within their corporate limits for the maintenance of jails and courthouses and for the municipalities' share of criminal expenses. Twentieth century amendments to legislative charters have provided greater municipal contributions to parish public improvements and cultural facilities. But, Article XIV, Section 7 remains useful for municipalities with legislative charters.

The twenty-seven towns which have retained legislative charters are as follows:

<table>
<thead>
<tr>
<th>Abbeville</th>
<th>Madisonville</th>
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<tr>
<td>Bastrop</td>
<td>Mansfield</td>
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<tr>
<td>Bogalusa</td>
<td>Many</td>
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<tr>
<td>Clinton</td>
<td>Marksville</td>
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<tr>
<td>Covington</td>
<td>Minden</td>
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<tr>
<td>Ebrose</td>
<td>Morgan City</td>
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<tr>
<td>Franklin</td>
<td>Natchitoches</td>
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<tr>
<td>Franklinton</td>
<td>New Iberia</td>
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<tr>
<td>Greensburg</td>
<td>Plain Dealing</td>
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<tr>
<td>Homer</td>
<td>*Flaunem</td>
</tr>
<tr>
<td>Jackson</td>
<td>*St. Martinville</td>
</tr>
<tr>
<td>Jeanerette</td>
<td>*Thibodaux</td>
</tr>
<tr>
<td>Keachi</td>
<td>**</td>
</tr>
</tbody>
</table>

*Maintains exemptions from parish taxing jurisdiction.

**Maintains exemptions from parish taxing jurisdiction, but will no longer operate under a legislative charter beginning January 1, 1975.

Attached are samples of twentieth century charter amendments discussed hereinabove and filed in charter folders in the office of the secretary of state.

Sources: The list of municipalities operating under legislative charters was compiled from the records contained in the office of the secretary of state and from the Directory of Louisiana Officials, published by the Louisiana Municipal Association, November 1972. The charter information was gathered from data made available by the secretary of state.

[184]
Authority of political subdivisions to levy special taxes; La. Const. Art. X, §10 and §10A; R.S. 39:801-804.

Article X, Section 10

The authority for political subdivisions to levy special taxes for public works and schools is established in Louisiana Constitution Art. X, §10, a copy of which is attached hereto. The first paragraph of this section provides:

(1) For the purpose of constructing and maintaining public works, a political subdivision may levy taxes, in excess of other constitutional limitations, not to exceed five mills in any year for any one purpose and twenty-five mills in any year for all purposes.

(2) For the purpose of supporting public schools, any parish or city school district may levy taxes, in excess of other constitutional limitations, not to exceed eight mills.

(3) No tax may run longer than 10 years.

(4) Resident property taxpayers, in number and amount, must by a majority vote approve the tax.

(5) Allows city of New Orleans to levy a special tax, not to exceed one-fifth of one mill for purpose of maintaining geological gardens in that city, provided it receives voter approval (property taxpayers only).

The provisions of paragraphs two (Sabine Parish), three (Caddo Parish), and four (Jefferson Parish) are obsolete. The tax provisions of paragraph five (Fourth Jefferson Drainage District) are still effective.

R.S. 39:801

Identical provisions to paragraph one of Art. X, Sec. 10 may be found in R.S. 39:801 (copy attached), except the provision on who may vote in an election on the issue of levying the special tax. The statute conforms to the U.S. Supreme Court decision in Cipriano v. City of Houma; all registered voters are permitted to vote, not just property owners. However, it is interesting to note that R.S. 39:804 (copy attached) provides that the act (R.S. 39:801-804) shall be operative only if constitutional or statutory provisions which limit the right to vote at said elections to property owners are repealed or held unconstitutional by the Louisiana or U.S. Supreme Court. This act was passed in 1970; the Supreme Court rendered Cipriano in 1969.

The second paragraph of R.S. 39:801 limits the taxes levied under it and under Art. X, Sec. 10 to the limitations set forth in Art. X, Sec. 10.

Article X, Section 10A

The authority for municipalities to levy special taxes for municipal services is established in Louisiana Constitution Art. X, §10A (copy attached). This section provides:

(1) For the purpose of providing and maintaining municipal services, a municipality may levy taxes, in excess of other constitutional limitations, not to exceed five mills in any one year.

(2) No tax may run longer than 10 years.

(3) Resident property taxpayer voter approval required.

R.S. 39:802

Identical provisions to Art. X, Sec. 10A may be found in R.S. 39:802 (copy attached), except voter provision, see discussion under R.S. 39:801, supra.

The second paragraph contains the same limitation on taxes found in R.S. 39:801, supra.

R.S. 39:803

R.S. 39:803 provides that elections under 801 and 802 shall be conducted in accord with R.S. 39:501-518.

NOTES


Arkansas Const. Art. II, §23

Eminent domain and taxation. The State's ancient right of eminent domain and of taxation is herein fully and expressly, conceded; and the General Assembly may delegate the taxing power with the necessary restriction, to the State's subordinate political and municipal corporations to the extent of providing for their existence, maintenance and well being, but no further.

Arizona Const. Art. IX, §6

Local assessments and taxes. Incorporated cities, towns, and villages may be vested by law with power to make local improvements by special assessments, or by special taxation of property benefited. For all corporate purposes, all municipal corporations may be vested with authority to assess and collect taxes.

Colorado Const. Art. X §7

Municipal taxation by general assembly prohibited. The general assembly shall not impose taxes for the purposes of any county, city, town or other municipal corporation, but may by law, vest in the corporate authorities thereof respectively, the power to assess and collect taxes for all purposes of such corporation.
Kentucky Const. §181

General Assembly may not levy tax for political subdivision, but may confer power: license and excise taxes: city taxes in lieu of ad valorem taxes.

The General Assembly shall not impose taxes for the purposes of any county, city, town or other municipal corporation, but may, by general laws, confer on the proper authorities thereof, respectively, the power to assess and collect such taxes. The General Assembly may, by general laws only, provide for the payment of license fees on franchises, stock used for breeding purposes, the various trades, occupations and professions, or a special or excise tax and may, by general laws, delegate the power to counties, towns, cities and other municipal corporations, to impose and collect license fees on stock used for breeding purposes or franchises, trades, occupations and professions. And the General Assembly may, by general laws only, authorize cities or towns of any class to provide for taxation for municipal purposes, tangible and intangible, based on income, licenses or franchises, in lieu of an ad valorem tax thereon; provided, cities of the first class shall not be authorized to omit the imposition of an ad valorem tax on such property of any steam railroad, street railway, ferry, bridge, gas, water, heating, telegraph, electric light or electric power company. (1902 c.50, adopted November 1903)

Maryland Const. Art. XI-E, §5

Taxes: debt limitations. Notwithstanding any other provision in this Article, the General Assembly may enact, amend, or repeal local laws placing a maximum limit on the rate of which property taxes may be imposed by any such municipal corporation and regulating the maximum amount of debt which may be incurred by any municipal corporation. However, no such local law shall become effective in regard to a municipal corporation until and unless it shall have been approved at a regular or special municipal election by a majority of the voters of that municipal corporation voting on the question. No such municipal corporation shall levy any type of tax, license fee, franchise tax or fee which was not in effect in such municipal corporation on January 1, 1935, unless it shall receive the expression of their approval to such tax, license fee, franchise tax or fee thereon:

- The General Assembly voting on the question are required to hold a special election, including local residents, to vote on the question of whether to impose such tax, license fee, franchise tax or fee thereon;
- The tax, license fee, franchise tax or fee shall be levied at the rate and for the purpose described in the Act of the General Assembly;
- The tax, license fee, franchise tax or fee shall be levied in addition to any other tax, license fee, franchise tax or fee levied by any other entity for the same purpose, except that this section shall not apply to taxes on tangible personal property used in a business enterprise located in a business park or business park district.

Missouri Const. Art. X, §10(b)

Local taxation may be authorized: Any county and township organization shall have such powers of local taxation as may be prescribed by law.

Washington Const. Art. VII, §9

Special Assessments or Taxation for Local Improvements. The legislature may vest in the corporate authorities of cities, towns, and villages, with power to make local improvements by special assessment, or by special taxation of property benefited. For all corporate purposes, all municipal corporations may be vested with authority to assess and collect taxes and such taxes shall be uniform in respect to persons and property within the jurisdiction of the body levying the same.

Wisconsin Const. Art. VIII, §1

Taxes: uniformity, optional methods as to collection and maintaining income, privilege and occupational taxes. The rule of taxation shall be uniform but the legislature may empower cities, villages, or towns to collect and return taxes on real estate therein by optional methods or levied upon such property with such classifications as to forests and minerals including or separate or severed from land, as the legislature shall prescribe. The taxation of merchants’ stock-in-trade, manufacturers’ materials and finished products, and livestock need not be uniform with the taxation of real property and other personal property, but the taxation of all such merchants’ stock-in-trade, manufacturers’ materials and finished products and livestock shall be uniform, except that the legislature may provide that the value thereof shall be determined on an average basis. Taxes may also be imposed on incomes, privileges and occupations, which taxes may be graduated and progressive, and reasonable exemptions may be provided. (Amended April 1961)

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CC/73 Research Staff
Subcommittee on Finance of Committee on Local and Parochial Government
June 28, 1973
Stal1 Memorandum No. 26

RE: The exception of the city of Monroe in Article XIV, Section 7, of the Constitution of 1921.

Although the city of Monroe adopted a commission form of government in 1918, it continues to operate under a legislative charter (Act 47 of 1900, as amended). Section 36 of the city charter exempts Monroe from Ouachita Parish taxes, but it pledges the city to provide the parish with one-half the cost of certain enumerated parish expenses. Legislative acts of 1910, 1912, and 1934 provide the means of adopting a commission form of government as well as certain powers and duties of a municipality which adopts the plan. All three acts specifically provide that a municipality exempted by its charter from parish taxes shall retain its exemption. (Acts 1914, Third Ex. Sess., No. 13, §19; R.S. 33:504).

The reasons for the insertion of the words "other than the city of Monroe" in Art. XIV, §7, remain unclear. The proceedings of the Constitutional Convention of 1921 show that the provision was introduced without mention of Monroe. When reintroduced before the convention with reference to Monroe added, the section caused apparent disagreement over the insertion of the words "other than the city of Monroe" between the delegates from Ouachita Parish. There is, however, no explanation from the records of the 1921 convention or from current officials in the city of Monroe of why the city was excepted in the constitutional provision as adopted.

Both the Project and the 1970 Law Institute report on constitutional revision recommended a change in Art. XIV, §7. The Project considered it "legislative material" and suggested its deletion from the constitution (Vol. III, p. 349). The Louisiana Law Institute recommended a section on parochial taxation with a provision similar to Art. XIV, §7, except that it omits reference to the city of Monroe (pp. 36-38).

Attachment I is a copy of the relevant section of the charter of the city of Monroe.

Attachment II is from the 1974 legislation setting forth the commission plan of government.

Attachment III is the Project treatment of Art. XIV, §§ 7, 8.
RE: Extraterritorial Powers of Local Governments.

One constitutional provision giving a municipality extraterritorial powers is Article XVIII, §4 of the Ohio Constitution. This provision gives municipalities the right to "acquire, construct, own, lease and operate within or without its corporate limits, any public utility...."

In the absence of specific constitutional inclusion of such powers, there is ample evidence that legislatures may provide for such powers.

Corpus Juris Secundum (Vol. LXIII on Municipal Corporations) has the following to say on this subject:

"As a general rule the powers of a municipal corporation cease at municipal boundaries and cannot, without plain manifestation of legislative intention, be exercised beyond its limits, is at least as far as governmental functions are concerned, even though it may have acquired property outside of its geographical limits. Within and subject to its constitutional limitations, the legislature, however, may, and often does, authorize the exercise of powers beyond municipal limits, and in accordance with the terms of the authorization, a municipal corporation may operate beyond its boundaries."

The rule that municipal corporations have no extraterritorial powers has been held to apply to proprietary functions but, under the theory that a corporation in its proprietary capacity is bound by the same rules that govern private individuals or corporations, a municipality may in its proprietary capacity exercise extraterritorial powers, as for instance, its power to contract.

Statutes authorizing the exercise of municipal power beyond the municipal boundaries are strictly construed.

Police Powers. Generally, the police power of a municipal corporation is coextensive with the corporation boundaries and the boundaries mark the limit for the exercise of the police power by the corporation. The legislature may, and often does, expressly or by implication, grant to municipal corporations the right to exercise police power beyond and within a prescribed distance of the municipal limits, especially for the preservation of the public health, and accordingly municipal corporations may have the implied right to exercise certain extraterritorial police powers when the possession and exercise of such powers are essential to the proper conduct of the affairs of the corporation.

References

4 Tenn.—Valence v. Millburn, 103 S.W. 298, 118 Tenn. 350, 121 Am.S. R. 1000.
6 Or.—Central Lincoln Peoples' Utility Dist. v. Smith, 133 P.2d 702, 170 Or. 356.
9 Iowa—Sibley v. Ocheyedan Electric Co. supra.
10 La.—Corpus Juris cited in City of Shreveport v. Case, 4 So. 2d 801, 198 La. 702.
12 Tex.—Ex Parte Ernest, 136 S.W. 2d 595, 136 Tex.Cr. 441.
13 Ala.—White v. City of Decatur, 144 So. 873, 225 Ala. 646, 86 A.L.R. 914.
15 Cal.—In re Blois, 176 P. 449, 179 Cal. 291.

CC/73 Research Staff
Committee on Local and Parochial Government
July 17, 1973
Staff Memorandum No. 28

RE: I The necessity of retaining the clause "except wherein otherwise provided by this constitution" in a provision for recall of public officials.

II The necessity of retaining the exception of judges of courts of record.

The General Provision proposal of the committee contains a section on "Recall" which provides:

"Section 25. Recall

Section 25. The legislature shall by general law provide for the recall of state, district, parish, municipal, or ward officers, except judges of the courts of record, and except wherein otherwise provided by this Constitution; provided, the sole issue to be voted on at any recall election shall be whether such officers shall be recalled."

The source provision is Article IX, Section 9 of the 1921 Constitution which provides:

"Section 9. Recall

Section 9. The Legislature may pass laws for the recall of any State, district, parish municipal or ward officer, except judges of the courts of record, and except wherein otherwise provided by this Constitution; provided, the sole issue rendered at any recall election shall be whether such official shall be recalled."

We have found no other constitutional provision which excepts any other public official from recall.

The Act, (Act 121 of the 1921 Ex. Sess.) providing for recall, adopted by the legislature five months after the approval...
of the 1921 Constitution, omits the "exception clause" in Article IX, Section 9. This Act was placed into the Revised Statutes as R.S. 42:341-357.

R.S. 42:341 provides:

"§341. Recall authorized

Any public officer, excepting judges of the courts of record, may be recalled in accordance with provisions of this Chapter."

The 1954 Project recommends omitting the "exception clause" and excepting the governor as well as judges:

"The legislature may pass laws for the recall of any officer except the governor and judges of the courts of record, provided the sole issue tendered at any recall election shall be whether such officer shall be recalled."

(PROJ. Vol. III, pp. 119, 124.)

The proposal of the Legislative Powers and Functions Committee has a section on recall which omits the "exception clause". It provides:

"Section 26. Recall

Section 26. The legislature shall provide for the recall by election of any state, district, parochial, or municipal officer except judges of the courts of record. The sole issue at any recall election shall be whether such officer shall be recalled."

The 1954 Project recommends retaining the exception for judges and also excepting the governor. The reason for the recommendation is in the Comment to the proposed section in the Project, a copy of which is attached hereto.

Even though these cases draw a distinction between local and special legislation, Huntington Odum, at 16 La. L.R. 759-760, points out that the Louisiana jurisprudence does not sufficiently distinguish between special and local legislation. He notes that courts often merely determine whether legislation is general or special and give little or no emphasis to whether it is local.

The present constitutional provision, Article XVI, Section 1 provides a detailed procedure for appointing members and filling vacancies on boards of commissioners of levee districts. It provides:

1. Levee system, maintenance, board membership: General

Section 1. A. The system, as now organized or as hereafter created, shall be maintained.

B. Instead, distinction shall be made, such as may be necessary in the operation of the system, in the manner hereinafter provided.

C. The levee districts shall be divided into districts, for the purpose of the operation of the levee system, such districts to exist as the system is hereinafter organized.

D. The levee districts shall be so organized that they shall not be located within the levee districts created by the legislature.

2. Members of boards to be appointed: General

Section 2. A. The members of the boards of commissioners of levee districts hereafter created shall be appointed or elected as provided by law.

B. No action taken hereunder shall impair the obligation of any outstanding bonded indebtedness of any other contract of such levee district."

The only reference to members of boards of commissioners provides that said members shall be elected or appointed from residents of such districts as provided by law.

There is no general statutory provision similar to Article XVI, Section 1. Instead, under the statutory authority for
most levee districts there is a section providing for appointment and term of commissioners (See Appendix I). Generally, these sections provide that the board of commissioners shall be composed of ___ competent persons appointed by the governor. In multi-parish districts there is usually the requirement that one member be from each parish. None of the sections spell out the method of appointment or selection as detailed in Article XVI, Section 1.

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Several levee districts have no statutory authority for appointment of commissioners. They are the Buras Levee District, Buras Back Levee District, and Grand Prairie Levee District.

All three districts had statutory authority providing for appointment of members until repealed by Act No. 125 of 1962. In the "History and Source of Law" note below each section there is the following statement, "See now, L.S.A. Const. Art. XIV, §3(d)" (See Appendix II). The cited constitutional article is the source of authority for the home rule charter of Plaquemines Parish, the parish in which all three levee districts are located.

The only other levee district for which there is no section on appointment of commissioners is the Atchafalaya and Bayou De Glaise Special Levee District which has statutory authority for election of commissioners by the landowners of the district. (See Appendix III)

A general provision on filling of vacancies has been adopted by the convention in two articles. Article IV on the Executive Branch contains the following section on "Other Vacancies":

"Section 17. Other Vacancies
Section 17. (A) Should no other provision therefor be made by this constitution, by statute, by local government charter, by home rule charter or plan of government, or by ordinance, the governor shall have the power to fill any vacancy occurring in any elective office. If, at the time a vacancy occurs in such office, the unexpired portion of the term of office is more than one year, the vacancy shall be filled at an election, as may be provided by statute. The appointment provided for herein shall be effective only until a successor is duly elected and qualified.
(B) Nothing in this Section shall be construed as changing the qualifications for the various offices involved, and all appointments must be of persons who otherwise would be eligible to hold offices to which appointed." (Emphasis Added)

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Article VI on Local Government, as adopted through Friday, October 5, 1973, contains the following section on "Filling of Vacancies":

"Section 15. Filling of Vacancies: Appointment
Section 15. (A) Except as otherwise provided in this constitution, and except for the office of assessor, a vacancy in any local office filled by election wholly within the boundaries of a local governmental subdivision or a parish or city school district, shall be filled by the governing authority of such local governmental subdivision or school district in which the vacancy occurs, until it is filled by election as provided by law.
(B) The provisions of this Section shall apply to all local governmental subdivisions unless otherwise provided by the home rule charter or the home rule plan of government of the affected local governmental subdivisions." (Emphasis Added)

Both Sections only apply to vacancies in elective offices. With the exception of the Atchafalaya and Bayou De Glaise Special Levee District, which has elected members, the statutes provide for appointment of levee board members for all other levee districts. Thus, there is a question of whether either section would apply to filling of vacancies in boards of commissioners of levee districts.

NOTES

Text of La. R.S. 38:642,693,733,734,783 comprising Appendices I-III is omitted.

CC/73 Research Staff Committee on Local and Parochial Government December 12, 1973 Staff Memorandum No.31

RE: Invalidation of Constitutional and Statutory Law Resulting From Adoption of a New Constitution Although Said Law is Not in Conflict with New Constitution

The following statements on this subject are found in Corpus Juris Secundum:

"The adoption of a new constitution repeals and supersedes all the provisions of the older constitution not continued in force by the new instrument." 16 C.J.S., verbo Constitutional Law, §42, p. 131

"While a new constitution is, by its very nature, intended to supersede a prior constitution, as discussed supra §42, it is not intended to supersede the entire body of statutory law. To the extent that existing statutes are not expressly or impliedly repealed by the constitution, or by constitutional amendments, they remain in full force and effect. A constitutional provision as well as a statute may, however, nullify or amend a statute insofar as future operation is concerned, and the constitution as the highest and most recent expression of the law-making power, operates to repeal or supersede not only all statutes that are expressly enumerated as repealed, but also all that are inconsistent with the full operation of its provisions. A statute opposed to the plain terms of a subsequently adopted constitutional provision must be regarded as repealed by implication. A constitutional provision which is a revision of the entire subject matter of, and constitutes a substitute for, a statute will supersede such statute.

It is a generally accepted rule, however, that repeals by implication are not favored; in fact there is a presumption against such a repeal. A constitutional provision does not repeal a statute on the ground of repugnance or inconsistency unless they are
clearly repugnant and so inconsistent that they cannot have concurrent operation, and, in order to effect a repeal by revision, a constitutional provision must be a revision of the entire subject matter so that the intention that the provision will be a substitute for the prior statute is apparent. The foregoing rules are subject to certain qualifications and limitations dependent on whether or not the constitutional provision is self-executing, as shown below in §60, and, according to some cases, a self-executing, prohibitory, and restrictive provision renders null and void existing statutes inconsistent with the constitutional provision in the absence of an effective saving clause, ....

* * *

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Charters of municipal corporations. A constitution or amendments thereto may effect the repeal of provisions of municipal charters which are inconsistent with the constitutional provisions, but do not necessarily render inoperative charter provisions which are not inconsistent with the constitution. A constitutional prohibition against the granting or adopting of special municipal charters does not necessarily repeal existing charters, nor does a constitutional amendment prohibiting the legislature from enacting, amending, or repealing any municipal charter repeal a municipal charter previously granted.

* * *

A constitutional provision to the effect that all existing laws not repugnant to the constitution are continued in force until they expire by their own limitations, or are altered, or repealed by the legislature has the effect of continuing in force statutes not in conflict with the constitution. Some constitutional provisions continue in force statutory provisions which are in conflict with constitutional provisions which require legislation to enforce them for, and only for, a specified period after the adoption of the constitution, in the absence of amendment or repeal of the statute or any legislation to enforce the conflicting constitutional provision. A provision that all laws shall continue in force until altered or repealed recognizes that such laws may be altered or repealed by legislative act. Constitutional provisions as to particular subjects may continue certain statutes in force. Laws continued in force by a provision of the constitution are as valid as though reenacted by the legislature.

A statute must, of course, come within the terms of a saving clause of a constitution in order that it may continue in force pursuant to such clause after the constitution becomes operative, and saving clauses do not usually continue in force statutes which are repugnant to the constitution. A constitutional provision continuing in force laws in force on a certain date, which are not inconsistent with the constitution, repeals a statute enacted intermediate such date and the subsequent adoption of the constitution, and also a statute which was enacted before, but is to go into effect after, the date specified. * 16 C.J.S., Verbo Constitutional Law, §43, p. 134

"Before an enactment of the legislature putting it into effect, a constitutional provision which is not self-executing does not usually repeal or otherwise affect existing constitutional provisions,

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statutes, or ordinances; and as a general rule, such constitutional provisions, statutes, or ordinances, remain in force until the necessary legislation is enacted, even though they are consistent with the subsequent constitutional provision. A provision may be so framed, however, that, while legislation is necessary to put into effect its affirmative principles, it repeals existing statutes inconsistent with it, and a provision which is self-executing in part may affect or change a prior statute to the extent that such provision is self-executing." 16 C.J.S., Verbo Constitutional Law, §60, p. 173

In addition the following is found in American Jurisprudence.

"When a new constitution is established, it is customary to insert a provision that all statutes in force and not inconsistent with the new constitution shall continue until amended or repealed by the legislature, although it is generally recognized that such laws remain in force without an express provision to that effect. * * *

It is also the general rule that a statute existing at the adoption of a constitution cannot be upheld if it is opposed to the plain terms of the constitution. If there is a conflict between a statute and such a constitutional provision, the former must give way, since all statutes which are actually inconsistent with a new constitution are repealed by implication, unless
they constitute contracts within the meaning of the federal provision prohibiting an impairment of the obligation of contracts. * * * The exception must be noted, however, that, where the constitutional provision is not self-executing, in some instances an inconsistent state statute is not thereby superseded. If it is self-executing, it necessarily annuls all inconsistent acts of the legislature passed prior to its adoption." 16 Am. Jur. 2d, Constitutional Law, §48, p. 219

"A new constitutional provision adopted by a people already having well-defined institutions and systems of law should not be construed as intended to abolish the former system, except insofar as the old order is in manifest repugnance to the new constitution, but such a provision should be read in the light of the former law and existing system." 16 Am. Jur. 2d, Constitutional Law, §68, p. 246

RE: Ten largest ports in the U.S.--creation; boards of commissioners

Of the ten largest ports in the United States (based on 1970 tonnage), only two, New Orleans and Baton Rouge are created by constitutional provision. The others are created by statute law, general law, or city charter.

Membership on the commissions which govern these ports is generally appointive (either by the governor of the state in which the port is located or the city council and mayor); and the average number of commissioners on each board is six.

The following report discusses the ports in order of their 1970 ranking.


Created by the Statutes of the States of New York and New Jersey. New York Title 17, Section 6401 et seq. New Jersey Title 32:1-1 et seq.

The port authority has twelve commissioners, six are resident voters of New York, at least four of whom are resident voters of the city of New York.

Six are resident voters from New Jersey, four of whom are resident voters of the New Jersey portion of the district.

The New York commissioners are appointed by the governor, by and with the consent of the senate for staggered five year terms. (Laws of New York, 1921 chapter 203, as amended).

The New Jersey commissioners are appointed by the governor, by and with the advice and consent of the Senate for six year terms (Title 32:2-2 and 32:2-3).


Created by provision in the La. Constitution of 1921. Article VI, Section 16 et seq. AND Section 17.

The Board of Commissioners of the Port of New Orleans has five members; one of whom must be a resident of and have "his principal place of business on the West Side of the Mississippi River." They serve for a five-year term and are appointed by the governor of the state upon the nomination by seven organizations which serve the port area.

3) Port of Houston: Tonnage (1970) 64,674,263.

Created by the General and Special Laws of Texas as amended. Created by the 40th Legislature, Acts 1927, 1st C.S., chap. 97.

Title 128, Article 8235 provides for a five commissioner board. Two commissioners are selected for a term of one and two years respectively by a majority of the city council of the city of Houston. The other three commissioners are selected for two years. Two of the latter commissioners are selected by the commissioners.
court and the other, to be chairman, is selected by a majority vote of the city council of the city of Houston and the commissioners court in joint session.


A departmental administrative commission was created by statute (Title 55:1) in the Department of Forests and Waters known as the Navigation Commission for the Delaware River and its navigable tributaries. The Commission consists of seven members, three appointed by the governor; two appointed from among the residents of Delaware County, and one appointed from among residents of Bucks County. Two to be appointed by the mayor of the city of Philadelphia; one to be the secretary of Forests and Waters, who shall serve ex officio; and one shall be the director of Wharves, Docks, and Ferries of the city of Philadelphia, who shall serve ex officio. The governor designates one of the commissioners to be the president, of the commission.

The members of the Commission hold office for a four year term.


The State of Virginia has a state-wide port authority created by statute (Title 62.1-128). The authority is governed by a Board of Commissioners. It consists of eleven members appointed by the governor, subject to confirmation by the General Assembly.

The terms of the commissioners are staggered, varying from two years to six years.

Title 62.1-132 specifies that any municipal port commission is subordinated to the Board of Commissioners of the Virginia Port Authority.


Article 41, Section 207 of the Maryland Statutes created the Maryland Port Administration as part of the Department of Transportation. The head of the Maryland Port Administration is the Maryland port administrator. The secretary of transportation appoints the Maryland port administrator with the approval of the governor.

All rights, powers, duties, obligations, and functions subject to the authority of the secretary of transportation are exercised by the Maryland port administration.


The Greater Baton Rouge Port Commission was created by constitutional provision. (Article VI, Sections 29-29.4).

The number of commissioners is ten; all are appointed by the governor. Two names are submitted by the police jury of West Baton Rouge Parish, one by the mayor and aldermen of the town of Port Allen, two by the city council of the city of Baton Rouge, two by the parish council of the parish of East Baton Rouge, one by the police jury of Iberville Parish, one by the police jury of Ascension Parish, and one appointed directly by the governor of the State of La.


Port of Beaumont Navigation District of Jefferson County was created by the 51st Texas Legislature. Acts 1949, ch. 147, General and Special Laws of Texas, as amended acts 1961, 57 Legislature, chap. 5.

The Board of Port Commissioners is made up of six commissioners who serve for six-year staggered terms. The commissioners should reside in the district and be property owners. The districts shall be divided into four wards and each ward shall be entitled to representation on said commission.

The commissioners are elected by the qualified voters of the district.


Florida by statute (Title 21, Section 310.01), created a board of pilot commissioners for each county in the state in which a port is located.

It consists of five members holding office for four years. The governor appoints the commissioners with the advice and consent of the Senate. The board consists of citizens of said county, and the said commissioners are empowered to act as port wardens, and perform the duties of the same.


Senate Concurrent Resolution Number 2 approving the charter of the city of Los Angeles. The Harbor of Los Angeles is created as a part of the Los Angeles city charter. Article VI of the charter (Acts 1925) created a department of Harbors. This department is under the control and management of a board of five commissioners called the Board of Harbor Commissioners. The commissioners serve for a term of five years. Appointment and removal is by the mayor, subject in both to approval by the council by a majority vote.

Article XI of the city charter provides for the Harbor Department, and the entire waterfront of the city of Los Angeles is under its control.
Capt. Joffree, Associated Director of the Board of Commissioners of the Port of New Orleans, has supplied us with the following information:

All tariff rates in the Port of New Orleans, regardless to the location (East or West Bank) are the same. The only difference experienced would be charges incurred as the result of ship repairs.

Mr. Louis Schwartz, of the New Orleans Traffic and Transportation Bureau, has informed us that the Bureau's jurisdiction consists only of Orleans, Jefferson and St. Bernard parishes (to a lesser degree Plaquemines Parish as well).

July 23, 1973

MEMORANDUM

TO: Dr. Frank Ullo
FROM: Research Staff
RE: BONDED INDEBTEDNESS OF STATE AGENCIES AND FULL FAITH AND CREDIT

From the exercise of governmental functions, particularly as they relate to port commissions, several advantages may be derived by the agency and the state.

Primarily, the agency is vested with, and its activities are influenced by, the public's interest, i.e., all programs and accomplishments of the agency are presumably directed toward the promotion and betterment of the general population. Under this framework, the people, directly or through their elected officials, may communicate their respective demands and criticisms of the agency's operations. This could not be so readily attained were the port commission under private ownership, as theoretically, some regulatory agency would be vested with that power and responsibility.

The second most significant advantage derived from public ownership is revenue income. A properly administered and effectively utilized port facility has tremendous potential for generating revenue.

Lastly, the construction, maintenance, and operation of a viable port facility is largely dependent upon the right of the port authority to incur bonded indebtedness supported by the full faith and credit of the state and the ability to obtain the lowest possible interest rates on the market. In this regard, and as the bonding attorneys and other authorities have testified, the backing of any bonded indebtedness by the full faith and credit of the state has a direct effect on the credit rating and marketability of bonds by the respective political subdivisions. (See attached copies of minutes of Committee on Local and Parochial Government and particularly the statement by Mr. Jackson Phillips of Moody Investor's Service, Inc.)

NOTES

Statement of Mr. Jackson Phillips of Moody's Investment Service is reproduced as an addendum to Minutes, April 10, 1973.

July 24, 1973

MEMORANDUM

TO: Dr. Frank Ullo
FROM: Research Staff
RE: APPOINTMENT OF NEW ORLEANS DOCK BOARD

The original provisions of the Louisiana Constitution of 1921 vested full appointment power in the office of the governor. These provisions were severely changed by amendment in 1946. Thereafter, the power of appointment was vested in the governor, but only after timely nominations submitted by five organizations in the New Orleans area, i.e., (1) New Orleans Association of Commerce, (2) New Orleans Board of Trade, (3) New Orleans Clearing House Association, (4) New Orleans Cotton Exchange, and (5) New Orleans Steamship Association.

In 1954, these provisions were further amended to substitute for and expand the nominating organizations to seven with the addition of the (6) West Bank Council of the Chamber of Commerce of the New Orleans Area and (7) International House and the substitution of Chamber of Commerce of the New Orleans Area for the New Orleans Association of Commerce.

July 24, 1973

MEMORANDUM

TO: Honorable Frank Ullo
FROM: Research Staff
RE: SUPERPORTS OF THE WORLD

A definitive number and the location of the superports of the world cannot be given. However, there are approximately fifty-three superports in existence or under construction in the world. At present there are no such ports in the United States, while there are five such ports in existence or under development in Canada which can handle ships larger than 200,000 dwt.

In addition, to superports per se, there is another type installation known as SPP (single point mooring) installations.

Attached you will find a list of selected deep-water ports in Europe. Also, the staff is enclosing information concerning single-point mooring installations.

July 24, 1973
The following is some of the problems that must be considered in any site selection of a super port:

Natural stresses associated with the offshore structure include: (1) dredging and other site preparation and construction activities, (2) maintenance dredging after the facility is in operation, (3) possible massive spills, and (4) possible operational leakages. Land links involving pipelines, utilities, and possible over-water highways introduce additional environmental problems. Social and cultural stresses associated with the offshore structure itself are probably limited to disruption of fishing activities. Primary constraints which enter into selection of the site are the (1) distance of offshore to water depths of 100 feet, (2) near-bottom foundation problems, and (3) vulnerability to storm-generated surges and winds. Secondary constraints critical to facility design, construction, and operation are primarily intensity and temporal variation of fog, wind, currents, and waves. Density or spacing of existing offshore structures and the location of primary fishing grounds must also be considered in site selection.

Secondary stresses imposed on onshore areas may well be more important than those associated with the offshore structure itself. For example, it is probable that support activities will require moving large numbers of people into flood-prone areas in the Gulfward fringes of the coastal zone. Because land areas well-suited for urban and industrial development are extremely limited in this region, pressure to initiate wetland reclamation projects must be carefully monitored. Such projects can reach into areas of high biological productivity and very poor foundation conditions. Secondary onshore activities may thus produce stresses on the natural environment and social/economic burdens for people moving into the coastal zone. Social burdens include high risk to hurricane storm surge hazards, as well as drainage and foundation problems. Other stresses related to population increase in the Gulfward fringes of the coastal zone include problems of sewage treatment, storm runoff removal, solid waste disposal, and a need for additional power-generating stations. Furthermore, the requirements for additional navigation channels to move cargo and supplies in an orderly fashion between the offshore structure and onshore support facilities may result in environmental damage. Routing of pipelines and utilities through estuaries between the offshore platform and onshore support facilities may also create major environmental problems.¹

III. Proposals

NOTES

The draft proposals reproduced in this chapter were taken from the files of the Committee on Local and Parochial Government. No assumptions should be made based upon the order in which the proposals are presented here; the order of presentation and division of subject matter was imposed by the staff of the Constitutional Convention Records Commission and not by the Convention committee.

In instances where draft proposals were presented as addenda to committee minutes, they are reproduced with those minutes and not in this Chapter.
A. General Provisions

Section 3. Before taking effect any law changing parish lines, consolidating parishes, dissolving parishes, or creating new parishes shall be submitted to the electors of the parishes to be affected at a special election held for that purpose. The change shall take effect only if two-thirds of the total vote cast on the question in each affected parish is in favor thereof.

Comment: Provides for consolidation, dissolution, and creation of new parishes only after approval by a two-thirds vote in each affected parish. The source provisions provide that parishes may be dissolved and merged by a two-thirds vote by the electors of the dissolving parish and approval by a majority vote of the electors of the parish or parishes into which the dissolved parish is to become incorporated.

Section 4. New or Enlarged Parishes: Adjustment of Assets and Liabilities

Section 4. When a parish is enlarged or created from contiguous territory, it shall be entitled to a just proportion of the property and assets and shall be liable for a just proportion of the existing debts and liabilities of the parish or parishes from which the territory is taken.

Comment: This section is a restatement of the source provision and makes no change in the law.

Section 5. Change of Location of Parish Seat

Section 5. Upon the written petition of not less than twenty-five percent of the electors, as certified to by the registrar of voters, the governing authority of a parish shall call an election on the question of changing the location of the parish seat. The location of a parish seat shall not be changed unless two-thirds of the total vote cast on the question is in favor thereof.

Comment: This section retains the requirement of a two-thirds approval by the electors voting at a special
election to affect a change in the location of the
parish seat, and also adds details as to how the
election may be called and how it shall be conducted.

Section 10. Appropriation to Political Subdivisions
Section 10. When the legislature appropriates
funds to one or more political subdivisions and the
legislature does not specify the purposes for which such
funds shall be expended, or the amounts to be expended
therefor, the expenditure of such funds shall be
determined solely by the governing authority of the
political subdivision or political subdivisions to
which the funds are appropriated. The legislature
may require a report concerning the allocation and
expenditure of such funds.

Source: Now

Comment: This provision grants to political subdivisions
control over specific expenditure of funds appropriated
by the legislature when the legislature fails to specify
within the act making the funds available the particular
purposes and amounts for which such funds shall be
allocated.

Section 11. Governing Authorities of Political Sub-
divisions; Controls over Agencies They Create
Section 11. (A) In addition to any other powers
granted by the legislature, the governing authority of
a political subdivision shall have the following powers
over any agency heretofore or hereafter created by it:
(1) to appoint and remove members of the governing
body of the agency; (2) to exercise budgetary and fiscal
control over the agency, including the power to modify
or veto its operating budgets, or veto or reduce line
items; or to substitute a different budget therefor;
(3) to abolish the governing body of the agency and to
substitute itself therefor, with authority to exercise
all of its powers and functions; and (4) to abolish
the agency if the obligations or indebtedness of the
agency are not thereby impaired.
(B) No such agency shall have authority to levy a
tax, impose any charge, or issue bonds unless the pro-
posal therefor is first approved by the governing
authority of the political subdivision; provided how-
ever, that after such original approval is granted no
further approval shall be required.
(C) If the creation of the agency required the
concurrency of two or more such governing authorities,
concurrency of all of them shall be required for the
exercise of the above powers.


Comment: Restates the source provision without substantive
change, but adds authority to political subdivisions
to appoint and remove members of the governing bodies
of agencies created by them, and add authority to the
governing authority of the political subdivision to
substitute itself for the governing board and to
exercise all of its powers and functions.

Section 14. Filling of Vacancies; Appointment
Section 14. (A) Vacancies occasioned by death,
resignation, or otherwise, in the office of police
juror, city council, parish or municipal governing
authority, or special district thereof, mayor or chief
executive officer of any political subdivision, and any
other local official elected within the boundaries of
the political subdivision, shall be filled by appoint-
ment by the governing authority of the political sub-
division, unless otherwise provided by the home rule
charter or home rule plan of government of the
affected political subdivision. Vacancies in the member-
ship of city or parish school boards shall be filled
by appointment by the remaining members thereof. A tie
vote by the governing authority of the political sub-
division or school board shall be broken by its presiding
officer regardless of the fact that he may already have
voted as a member of the appointing body.

(B) If, at the time a vacancy occurs in an elective
office for which appointment is provided in Paragraph A
of this Section, the unexpired portion of the term of


office is more than one year, a special election to
fill the vacancy shall be called by the governing
authority, and held without the necessity of a call by
the governor, not more than six months nor less than three
months, after first receipt of notice of the vacancy
by the secretary of state, to be given as hereinafter
provided, in the political subdivision or special dis-
trict thereof in which the vacancy occurred, and in such
case the appointment provided for in Paragraph A of this
section shall be effective only until a successor is
duly elected and qualified.
(C) Upon being informed of the occurrence of a vacancy in any of the offices specified in Paragraph A of this Section, the clerk or chief clerk of the district court in the parish where the vacancy occurred, and in the parish of Orleans the clerk or chief clerk of the Criminal District Court, shall, within twenty-four hours after being thus informed, notify the secretary of state in writing by registered or certified mail of the occurrence of the vacancy. Upon receipt of such notice, the secretary of state shall, within twenty-four hours after such receipt, notify in writing by registered or certified mail all election officials, including party committees and boards of supervisors of elections, having any duty to perform in connection with a special election to fill such vacancy of the occurrence of the vacancy.

(D) Nothing in this Section shall be construed as changing the qualifications for the various offices involved and all appointments must be of persons who would otherwise be eligible to hold offices to which appointed.

(E) The provisions of this Section shall apply to all political subdivisions unless otherwise provided by the home rule charter or the home rule plan of government of the affected political subdivision.

(F) The provisions of this Section shall not apply to the office of sheriff, assessor, clerk of a district court, coroner, judges of any court of record, or district attorney, except as otherwise provided for in this constitution.


Comment: (a) This provision authorizes the governing authority of the political subdivision wherein the vacancy occurs, rather than the governor, to fill vacancies. Deleted from the source provision are the elected offices of sheriff, assessor, clerk of a district court, coroner, district judge, and district attorney.

(b) Other provisions in this section restate the source provision and make no change in the law.

Section 15. Acquisition of Property

Section 15. Subject to such restrictions as the legislature may provide by general law, political subdivisions may acquire property for any public purpose, including but not limited to acquisition by purchase, donation, expropriation, or exchange.

Source: La. Const. Art. XIV, §14 (b.1), (b.2), (d-1), (d-2), (d-4), (f), (f.1), (m), (m-1) (1921).

Comment: The source provision grants zoning authority to municipalities generally, and to certain named parishes. The revision extends the general authorization to all political subdivisions.
Section 19. Industrial Areas

Section 19. The legislature may authorize parishes to create industrial areas within their boundaries in accordance with such procedures and subject to such regulations as the legislature shall determine. Parish industrial areas shall not be subdivisions of the state.


Comment: The above revised provision continues the legislature's authority to permit the creation of industrial areas, but leaves all of the procedures and regulations to the discretion of the legislature.

Section 20. Assistance to Local Industry by Political Subdivisions

Section 20. (A) Subject to such restrictions as it may impose, the legislature may authorize any political subdivision, in order (i) to induce and encourage the location of or addition to industrial enterprises therein, or (ii) to provide for the establishment and furnishing of industrial plants for the conversion or processing of raw farm or agricultural products, or (iii) to provide movable or immovable property, or both, for pollution control facilities: (1) to issue bonds and use the funds derived from the sale thereof to acquire and improve industrial plant sites and other property necessary to the purposes thereof; (2) to acquire, through purchase, construction, or otherwise, and to improve, industrial plant buildings and industrial plant equipment, machinery furnishing, and appurtenances; and (3) to sell, lease, or otherwise dispose of all or any part of the foregoing.

(B) It is hereby found and declared that the purposes designed to be accomplished herein are public and proper legal purposes and will be of public benefit to the political subdivision issuing the bonds.


Comment: (a) The source provision provides detailed procedures for the issuance of bonds by political subdivisions to induce, encourage, and aid the location of industry therein. Paragraph A of the revised section adopts the principle that the legislature may authorize such bonds, and the detailed procedures for the issuance of the bonds are omitted from the constitution and should be placed in the statutes.

(b) Continues present stipulation that such bonds are for public and proper legal purposes.

Section 21. Creation of Special Districts; Authority

Section 21. The power of the legislature by general or special law to create or authorize the creation of special districts, boards, agencies, commissions, and authorities of every type useful in carrying on the duties and functions of political subdivisions and, subject to the limitations imposed in this constitution, to grant the special districts, boards, agencies, commissions, and authorities so created such rights, powers, and authorities as it deems proper, including, but not limited to, the power of taxation, the power to incur debt and issue bonds, and the power to reclaim property from the beds of lakes and streams, is hereby confirmed.

Comment: (1) It is the purpose of this section, not only to clearly vest plenary authority in the legislature to create or authorize the creation of special districts and authorities of every type and define their powers, but this section is also to negate any argument that further constitutional authority is necessary for the legislature to exercise this function. The legislature will, however, be subject to limitations otherwise provided by the constitution, such as tax exemptions and debt limitations.

(2) The effect of the above section is to remove from the constitution the following: (1) ports, harbors and terminal districts (§§30.1 and 31); (2) Lake Charles Harbor and Terminal District (§30.2); (3) navigation and river improvement districts (§§30.3 and 30.4); (4) Red River Waterway (§30.5); (5) garbage districts (34); (6) Fourth Jefferson Drainage District (§35); (7) Jefferson Parish community center and playground districts (§36); (8) Jefferson Parish subsewerage districts (§37.1); (9) Jefferson Parish public improvement districts (§38); (10) Calcasieu community center and playground districts (§39.1); (11) Jefferson Parish drainage districts (§43); (12) Sabine River Authority (§45); and (13) Louisiana Stadium and Exposition District (§47). The foregoing list is not exclusive. (References are to present sections).

(3) It is the purpose of the revised section to continue by legislative acts the special districts, boards, agencies, commissions, and authorities provided for in the present Article XIV. Legislation should be submitted to place them in the revised statutes.

(4) It is further recognized, however, that certain
existing agencies by reason of their importance, scope, or peculiar circumstances have or should have special treatment in the constitution, such as the Civil Service Commission.

Section 22. Recall

Section 22. The legislature shall by general law provide for the recall of state, district, parish, municipal, or ward officers, except judges of the courts of record, and except wherein otherwise provided by this constitution. The sole issue to be voted on at any recall election shall be whether such officers shall be recalled.


Comment: This section is taken from the source provision, and makes no changes in the law.

Section 24. Uniform Procedure for Calling, Conducting, and Canvassing the Returns of Certain Special Elections

Section 24. When any election is required to be held in any political subdivision pursuant to the provisions of this constitution which requires submission to the electors of any proposition or question, such as the change of parish lines, change of location of parish seat, levying of taxes, issuance of bonds or incurring of other debt obligations, the assumption of debt, referendum, recall, or the adoption of a home rule charter, the election shall be called, conducted, and the returns thereof canvassed, in accordance with the law pertaining to elections for incurring bonded indebtedness and special taxes relative to local finance, as the same now exists or may hereafter be amended, or as may be otherwise provided by the legislature.


Comment: (a) The source provisions provide in detail for the establishment and operation of the plan of government for the parishes of East Baton Rouge and Jefferson, and the cities of Baton Rouge, New Orleans, and Shreveport.

Since the source provisions provide for purely local matters, it is not necessary to include the detailed provisions in the text of the constitution.

(b) Under Const. Art. XIV, §3(second d), detailed procedures are set out for the adoption of a charter commission form of parish government. Such a plan of government has been adopted in Plaquemines Parish and is specifically ratified in this section.

Section 7. Powers and Limitations on Political Subdivisions

Section 7. (A) Any political subdivision may exercise any power and perform any function pertaining to its government and all other powers necessary, requisite,
or proper for the management of its affairs not denied
to it by its charter, by this constitution, or by general
law, including but not limited to the power (1) to
legislature upon, regulate, conduct, and control all
matters of local governmental administration; (2) to
define the powers, duties, and qualifications of parochial
or municipal employees; (3) to provide for the protec-
tion of the public health, safety, morals, and welfare;
(4) to create special districts; (5) to license; (6) to
tax any enterprise or object not excluded by this
constitution or the general laws of this state; (7) to
incur debt and issue bonds, except as otherwise pro-
vided in this constitution. Any political subdivision
may exercise concurrently with the state any power or
function pertaining to its government and affairs to
the extent that the legislature by general law does not
specifically limit the concurrent exercise of any such
power or functions or specifically declare the state's
exercise of any such power or function to be exclusive
except as hereinafter provided.

(B) Political subdivisions do not have the power (1)
to incur debt payable from ad valorem tax receipts
maturing more than forty years from the time it is
incurred; (2) to define and provide for the punish-
ment of a felony; or (3) to enact private or civil
ordinances governing civil relationships.

(C) Political subdivisions shall have the power
that the legislature may provide by law to levy and
collect occupational license taxes or taxes upon or
measured by income or earnings.

(D) The legislature may not deny or limit the power
of political subdivisions (1) to make local improve-
ments by special assessment and to exercise this power
jointly with other political subdivisions and other
classes of units of local government having that power
on the effective date of this constitution unless that
power is denied by law to all other political subdiv-
isions of the same kind; or (2) to levy additional
taxes upon areas within their boundaries, in the manner
provided by law, to provide special services to those
areas and for the payment of debt incurred to provide
those special services.

(E) The legislature shall not pass any law which
changes, modifies, or affects the structure and/or
organization and/or the particular distribution and
redistribution of the powers and functions of any
political subdivision which operates under a home
rule charter.

(F) Powers and functions of any political subdivision
shall be construed liberally in favor of the political
subdivision.

Source: New. See, however, Ill., Const. Art. VII, §§6(a),
6(d), 6(e), 6(1), 6(m) (1970); and Model State Constitution,

Comment: (a) The provisions in this section grant broad
powers of local self-government to political subdivisions.
The grant of powers is accomplished in two ways. In
paragraph A these units of local government are given
general authority to exercise any power and perform any
function relating to their government and affairs.
Second, four important powers—-to regulate, to license,
to tax, and to incur indebtedness—are enumerated in
the powers given to these units of local government.
(b) This broad grant of powers is subject to
restrictions set forth in paragraph B relating to local
debt, defining, and providing for punishment of a felony
and private or civil laws governing civil relationships.

Section 8. Home Rule Charter

Section 8. (A) Any political subdivision may draft,
adopt, or amend a charter of government to be known as
a home rule charter in accordance with the provisions
of this section. The governing authority of any such
political subdivision may appoint a commission to prepare
and propose a charter, or may call an election for the
purpose of electing such a commission.

(B) The governing authority of any such political
subdivision shall call an election to elect a commission
to prepare and propose a charter or alternate charter
when presented with a petition signed by not less than
twenty percent of the electors who live within the
boundaries of the affected political subdivision, as
certified by the registrar of voters.

(C) A home rule charter shall be adopted when
approved by a majority of the electors voting on the
charter proposal at an election called for that purpose.

which are general laws providing the requirements for 
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adoption of a home rule charter.

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Section 9. Legislation Increasing Expenditures by 
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Political Subdivisions; Local Approval

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Section 9. No law requiring an increase in expendi- 
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tures from funds of a political subdivision shall have 
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effect until approved by ordinance enacted by the govern- 
8

ing authority of the political subdivision affected 
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thereby. When funds sufficient to meet the increased 
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expenditure are provided to the political subdivision 
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by law, local approval shall not be required.

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Reported without action. There is a division among members 
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of the subcommittee. Some members feel if this section 
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is adopted, a provision should be approved allowing 
15

municipal employees to bargain collectively, and/or 
16

a provision permitting municipal employees under civil 
17

service to engage in certain political activities.

18

Source: New

19

Comment: Authorizes the legislature to enact a law requiring 
20

an increase in expenditures by a political subdivision 
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only when funds are made available from state sources 
22

or, if not, only after the local governing authority 
23

of the political subdivision has approved the increase.

24

Section 12. Special Districts and Public Agencies: 
25

Assumption of Debt, Consolidation, and Merger

26

Section 12. (A) Any political subdivision may 
27

assume the debt of any special district, or any public 
28

agency created by it, except school districts, situated 
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and having jurisdiction entirely within the boundaries 
30

of such political subdivision. Upon such debt assump- 
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tion the political subdivision shall succeed to and be 
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vested with all of the rights, revenues, resources, 
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jurisdiction, authority, and powers of such special 
34

district or public agency. No such action shall take 
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effect unless a majority of the electors in such special 
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district and a majority of the electors in the political 
37

subdivision assuming the debt who vote in an election 
38

held for that purpose vote in favor thereof.

39

(B) If the special district or public agency which 
40

is abolished has any outstanding indebtedness, the 
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authority provided for by this section shall not be 
42

exercised unless provision is made for the assumption 
43

of such indebtedness by the governing authority or 
44

authorities of the political subdivisions involved.

45

(C) Any political subdivision may merge or con- 
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solidate any such special district, or public agency 
47

created by it into such political subdivision.

48


49

Comment: The source provision provides the legislature 
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may by general law, authorize any parish to assume the 
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debt of certain enumerated special districts, provided 
52

that property taxpayer approval is secured at an elec- 
53

tion held for that purpose. The above section extends 
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the source provision to authorize any political sub- 
55

division to assume the indebtedness of any district 
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or public agency, except school districts, lying en- 
57

tirely within its boundaries without necessity of 
58

legislative authorization. Present provision requires 
59

a majority in number and amount of the qualified pro- 
60

perty taxpayers to approve the action. Proposed 
61

provision requires a majority of the electors. This 
62

brings the provision into conformity with recent United 
63

States Supreme Court decision, Cipriano v. Houma, 395 
64

U.S. 701 (1969); Phoenix v. Kolodziejki, 399 U.S. 204 
65

(1970); to eliminate the taxpayer requirement for 
66

voting in such elections.

67

Section 13. Local Officials; Election

68

Section 13. The electors of each political sub- 
69

division shall have the exclusive right to elect the 
70

chief executive officer, members of their respective 
71

governing authorities, and any other local official 
72

elected within the boundaries of the political sub- 
73

division. Such officials shall not be subject to 
74

removal by the legislature. The salaries of these 
75

officials shall not be reduced during the terms for 
76

which they are elected.

77


78

Comment: Restates without substantive change Paragraph (b) 
79

of Section 40, but broadens it to include parish 
80

officials.

81

Section 23. Classification

82

Section 23. Except as provided in this constitution, 
83

the legislature may classify political subdivisions 
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according to population or on any other reasonable 
85

basis related to the purpose of this classification, 
86

and legislation may be limited in its effect to any 
87

of such class or classes; but, no statute which is
applicable to fewer than six political subdivisions shall become operative in any such political subdivision until submitted to and approved by a majority of the electors of that political subdivision voting in an election held for that purpose.


Comment: Under the source provision, legislation applicable to fewer than the five largest cities of the state shall not become operative in the city of New Orleans until approved by a majority of the qualified electors of the city of New Orleans voting at an election. The revision provides that if a law is applicable to fewer than six political subdivisions the law becomes operative in a political subdivision to which it applies only if approved by the voters of that political subdivision. Thus, the law becomes operative in a municipality where it is approved, even if it does not become operative in others because the voters disapprove or no election is held. The exception deals with municipal taxation; under that section the legislature is authorized to make exceptions for individual municipalities from general laws pertaining to taxation.

Section 25. Supremacy of Constitution and General Laws

Section 25. The provisions of this constitution shall be paramount and neither the legislature, nor any political subdivision, shall enact any laws or ordinances in conflict therewith. [Except as otherwise provided in this constitution, the general laws enacted by the legislature shall be paramount to the ordinances of any political subdivision.]

The committee recommends deletion of the last sentence of this section.

Source: New

Comment: Provides for supremacy of the constitution and general laws over ordinances enacted by political subdivisions.

Section 26. Intergovernmental Cooperation

Section 26. Any political subdivision may exercise and perform any of its authorized powers and functions, including the financing, jointly or in cooperation with one or more political subdivisions, either within or without the state, except as the legislature shall provide otherwise by law. The legislature shall not by general or special law require political subdivisions to exercise or perform functions jointly or in cooperation with any other political subdivision, nor shall the legislature require consolidation of governmental functions of local governmental subdivisions.

Source: New. See, however, South Dakota Const. Art. IX, §3, (1889).

Comment: Provides for intergovernmental cooperation between parishes and municipalities and between these political subdivisions and the state and federal government.

Section 27. Terms Defined

Section 27.

1) As used in this Article "municipality" means incorporated cities, towns, and villages.

2) "Political subdivision" as used in this constitution refers to parishes, municipalities, and any other unit of local government authorized by law to perform general governmental functions.

3) "Governing authority" means the body which exercises the legislative functions of the political subdivision.

4) "Chief executive officer" as used in this Article refers to the mayor, or the chief executive officer of any political subdivision.

5) "General law" as used in this Article refers to a law of statewide concern which is uniformly applicable to every political subdivision in the entire state or which is uniformly applicable to all political subdivisions within the same class as established in accordance with the classification provisions of Section 23 of this Article.

6) "Special law" means any law other than a general law.

Source: New

Comment: Provides definitions for various terms used in this Article.
1 Constitutional Convention of Louisiana of 1973

2 COMMITTEE PROPOSAL NUMBER

3 Introduced by

4 A PROPOSAL

5 Relative to provisions for local and parochial government.

6 PROPOSED SECTIONS:

7 Section 6. Existing Home Rule Charters and Plans of
8 Government of Parishes and Municipalities Ratified
9 Section 6. (A) The plans of government and home rule
10 charters of the parishes of East Baton Rouge, Jefferson,
11 and Plaquemines and of the cities of New Orleans, Baton
12 Rouge, and Shreveport shall remain in effect, but may be
13 amended, modified, or repealed as provided therein. Each
14 of them shall retain the authority, powers, rights,
15 privileges, and immunities granted by its charter. Each
16 shall be subject to the duties imposed by the applicable
17 constitutional provisions under which its plan or charter
18 was adopted. Each of them also shall enjoy such additional
19 powers and functions as are granted to local governmental
20 subdivisions by provisions of this constitution, including
21 Sections 7 and 8 of this Article, unless the exercise
22 of such powers and functions is prohibited by its charter.
23 (B) Every other home rule charter adopted or authorized
24 when this constitution is adopted shall remain in effect
25 and may be amended, modified, or repealed as provided in
26 the charter.

27 Source: La. Const. Art. XIV, §§3(a), 3(c), 3(Second d),
28 22, 37 (1921).

29 Section 7. Powers of Local Governmental Subdivisions
30 Section 7. Any local governmental subdivision may
31 exercise and perform any power and function necessary,
32 requisite, or proper for the management of its affairs
33 not denied to it by its charter, by this constitution,
34 or by general law, including but not limited to the
35 power (1) to legislate upon, regulate, conduct, and
36 control all matters of local governmental administration;
37 (2) to define the powers, duties, and qualifications of
38 parochial or municipal employees; (3) to provide for the
39 protection of the public health, safety, morals, and
40 welfare; (4) to create special districts; (5) to license;
41 (6) to tax under the limitations provided in this
42 constitution or the general laws of this state; (7) to incur debt and issue bonds, except as otherwise
43 provided in this constitution. Any local governmental
44 subdivision may exercise concurrently with the state any
45 power or function pertaining to its government and
46 affairs to the extent that the legislature by general
47 law does not specifically limit the concurrent exercise of
48 any such power or functions or specifically declare the state's exercise of any such power or function to be
49 exclusive except as provided in this Article.

50 Source: New. See, however, Ill., Const. Art. VII, §§6(a),
51 6(d), 6(e), 6(f), 6(m) (1970); and Model State Constitution,

53 Section 8. Home Rule Charter

54 Section 8. (A) Any local governmental subdivision
55 may draft, adopt, or amend a charter of government to be
56 known as a home rule charter in accordance with the pro-
57 visions of this section. The governing authority of any
58 such local governmental subdivision may appoint a com-
59 mission to prepare and propose a charter, or may call an
60 election for the purpose of electing such a commission.

61 (B) The governing authority of any such local govern-
62 mental subdivision shall call an election to elect a com-
63 mission to prepare and propose a charter or alternate
64 charter when presented with a petition signed by not less
65 than fifteen percent of the electors who live within
66 the boundaries of the affected subdivision, as certified
67 by the registrar of voters.

68 (C) A home rule charter shall be adopted when
69 approved by a majority of the electors voting on the
70 charter proposal at an election called for that purpose.

71 (D) A home rule charter, or any amendment thereto,
72 adopted pursuant to the provisions of this section,
73 shall provide for the structure, organization, powers
74 and functions for the government of the local govern-
75 mental subdivision, which may include the exercise and
76 performance of any power and function necessary, requisite,
77 or proper for the management of its affairs, not denied
78 by general law or this constitution; provided, however, the legislature shall not pass any law the
79 effect of which changes, modifies, or affects the struc-
80 ture, organization and/or the particular distribution
81 and redistribution of the powers and functions of any
82 local governmental subdivision which operates under a
83 home rule charter.


[204]
COMMITTEE: PROPOSAL NUMBER

Introduced by

A PROPOSAL

Relative to provisions for local and parochial government.

PROPOSED SECTIONS:

Section 1. Municipalities: Incorporation, Consolidation, Merger, and Government

Section 1. The legislature shall provide by general law for the incorporation, consolidation, merger, and government of municipalities. No special law shall be enacted to create a municipal corporation or to amend, modify, or repeal its charter; however, if a municipality is operating under a special legislative charter it may be amended, modified, or repealed by special law as long as such municipality continues to operate under such charter.


Comment: Provides for municipal incorporation by general law. Prohibits special law in language similar to source provision.

Section 2. Parishes: Ratification of Boundaries, Creation, Consolidation, and Dissolution

Section 2. (A) All parishes and their boundaries as established under existing law are recognized and ratified.

(B) The legislature shall provide by general law for the creation, consolidation, or dissolution of parishes under the limitations hereinafter provided. No new parish shall contain less than six hundred twenty-five square miles, or less than fifty thousand inhabitants, and no parish shall be reduced below that area or number of inhabitants.


Comment: Provides for ratification of existing parish boundaries. Increases the population requirement of the existing provision for creation of new parishes from 7,000 to 50,000 inhabitants.

Section 3. Change of Parish Lines: Election

Section 3. Before taking effect any law changing parish lines, consolidating parishes, dissolving parishes, or creating new parishes shall be submitted to the electors of the parishes to be affected at a special election held for that purpose. The change shall take effect only if two-thirds of the total vote cast on the question in each affected parish is in favor thereof.


Comment: Provides for consolidation, dissolution, and creation of new parishes only after approval by a two-thirds vote in each affected parish. The source provisions provide that parishes may be dissolved and merged by a two-thirds vote by the electors of the dissolving parish and approval by a majority vote of the electors of the parish or parishes into which the dissolved parish is to become incorporated.

Section 4. New or Enlarged Parishes: Adjustment of Assets and Liabilities

Section 4. When a parish is enlarged or created from contiguous territory, it shall be entitled to a just proportion of the property and assets and shall be liable for a just proportion of the existing debts and liabilities of the parish or parishes from which the territory is taken.


Comment: This Section is a restatement of the source provision and makes no change in the law.

Section 5. Change of Location of Parish Seat

Section 5. Upon the written petition of not less than twenty-five percent of the electors, as certified to by the registrar of voters, the governing authority of a parish shall call an election on the question of changing the location of the parish seat. The location of a parish seat shall not be changed unless two-thirds of the total vote cast on the question is in favor thereof.


Comment: This Section retains the requirement of a two-thirds approval by the electors voting at a special election to affect a change in the location of the parish seat, and also adds details as to how the election may be called and how it shall be conducted.
Section 6. (A) The plans of government and home rule charters of the parishes of East Baton Rouge, Jefferson, and Plaquemines and of the cities of New Orleans, Baton Rouge, and Shreveport shall remain in effect, but may be amended, modified, or repealed as provided therein. Each of them shall retain the authority, powers, rights, privileges, and immunities granted by its charter. Each shall be subject to the duties imposed by the applicable constitutional provisions under which its plan or charter was adopted. Each of them also shall enjoy such additional powers and functions as are granted to local governmental subdivisions by provisions of this constitution, including Sections 7 and 8 of this Article, unless the exercise of such powers and functions is prohibited by its charter. (B) Every other home rule charter adopted or authorized when this constitution is adopted shall remain in effect and may be amended, modified, or repealed as provided in the charter.


Comment: (a) The source provisions provide in detail for the establishment and operation of the plan of government for the parishes of East Baton Rouge and Jefferson, and the cities of Baton Rouge, New Orleans, and Shreveport. Since the source provisions provide for purely local matters, it is not necessary to include the detailed provisions in the text of the constitution.

(b) Under Const. Art. XIV, §3(second d), detailed procedures are set out for the adoption of a charter commission form of parish government. Such a plan of government has been adopted in Plaquemines Parish and is specifically ratified in this section.

(c) Allows existing home rule charter local governments to exercise the powers and functions granted in the new constitution, particularly those in Sections 7 and 8 of this Article, relative to powers and functions of other local governmental subdivisions and home rule charter governments adopted under the provisions of the new constitution, unless the exercise thereof is prohibited by its charter.

(d) Paragraph (B) gives effect to any home rule charter adopted or authorized but not effective on the effective date of the new constitution.

Section 7. Powers of Local Governmental Subdivisions:

Section 7. (A) Any local governmental subdivision may exercise and perform any power and function necessary, requisite, or proper for the management of its affairs not denied to it by its charter, by this constitution, or by general law, including but not limited to the power (1) to legislate upon, regulate, conduct, and control all matters of local governmental administration; (2) to define the powers, duties, and qualifications of parochial or municipal employees; (3) to provide for the protection of the public health, safety, morals, and welfare; (4) to create special districts; (5) to license; (6) to tax under the limitations provided in this constitution or the general laws of this state; (7) to incur debt and issue bonds, except as otherwise provided in this constitution.

(B) Any local governmental subdivision may exercise concurrently with the state any power or function pertaining to its government and affairs to the extent that the legislature by general law does not specifically limit the concurrent exercise of any such power or functions or specifically declare the state's exercise of any such power or function to be exclusive except as provided in this Article.

(C) Powers and functions of local governmental subdivisions shall be construed liberally in favor of such local governmental subdivisions.


Comment: (a) The provisions in this Section grant broad powers of local self-government to local governmental subdivisions. The grant of powers is accomplished in two ways. First, local governmental subdivisions are given general authority to exercise any power and perform any function relating to their government and affairs not denied by its charter, this constitution, or general law. Second, four important powers—to regulate, to license, to tax, and to incur indebtedness—are enumerated in the powers given to local governmental subdivisions.

(b) Paragraph (B) allows local governmental subdivisions to exercise concurrent power with the state.
unlimited such exercise is prohibited or limited by the legislature.

Section 7.1. Limitations on Local Governmental Subdivisions

Section 7.1. Local governmental subdivisions do not have the power (1) to incur debt payable from ad valorem tax receipts maturing more than forty years from the time it is incurred; (2) to define and provide for the punishment of a felony; or (3) to enact private or civil ordinances governing civil relationships.

Source: Nw. Sec, however, Ill. Const. Art. VII, §6(d); and Model State Constitutions, Sixth Edition (Revised) Art. VIII, §8.02 (1968).

Comment: Enumerates three restrictions on the broad grant of power given local governmental subdivisions in Section 7 of this Article.

Section 8. Home Rule Charter

Section 8. (A) Any local governmental subdivision may draft, adopt, or amend a charter of government to be known as a home rule charter in accordance with the provisions of this Section. The governing authority of any such local governmental subdivision may appoint a commission to prepare and propose a charter, or may call an election for the purpose of electing such a commission.

(B) The governing authority of any such local governmental subdivision shall call an election to elect a commission to prepare and propose a charter or alternate charter when presented with a petition signed by not less than fifteen percent of the electors who live within the boundaries of the affected subdivision, as certified by the registrar of voters.

(C) A home rule charter shall be adopted when approved by a majority of the electors voting on the charter proposal at an election called for that purpose.

(D) Two or more local governmental subdivisions situated within the boundaries of one parish may avail themselves of the provisions of this Section, provided that a majority of the electors in each affected local governmental subdivision, in an election held for that purpose, vote in favor thereof. The legislature shall provide for the method of appointment or election of a commission to prepare and propose such a charter consistent with Paragraph A of this Section; provided, however, that at least one member of the commission shall be elected or appointed from each affected local governmental subdivision. The legislature shall provide the method by which the electors of more than one local governmental subdivision within the boundaries of one parish may petition for an election for such purpose consistent with Paragraph B of this Section.

(E) A home rule charter, or any amendment thereto, adopted pursuant to the provisions of this Section, shall provide for the structure, organization, powers, and functions for the government of the local governmental subdivision, which may include the exercise and performance of any power and function necessary, requisite, or proper for the management of its affairs, not denied by general law or this constitution; provided, however, the legislature shall not pass any law the effect of which changes, modifies, or affects the structure, organization and/or the particular distribution and redistribution of the powers and functions of any local governmental subdivision which operates under a home rule charter.


Comment: These provisions grant home rule powers to parishes or municipalities or a combination of both. A home rule charter may be adopted by a municipality under R.S. 33:1381, et seq., which are general laws providing the requirements for adoption of a home rule charter.

Section 8.1. Home Rule Parish: Incorporation of Cities, Towns, and Villages

Section 8.1. When two-thirds of the electors as certified by the registrar of voters of an unincorporated settlement in any parish operating under a home rule charter or a home rule plan of government sign and present to the governor a petition and meet other necessary requirements as set forth under the general laws providing for the incorporation of cities, towns, and villages, such cities, towns, and villages may be incorporated; provided, however, no such newly incorporated area shall include any property previously included in any industrial area or district.
Section 10. Appropriation to Political Subdivisions

When the legislature appropriates funds to one or more political subdivisions and the legislature does not specify the purposes for which such funds shall be expended, or the amounts to be expended therefrom, the expenditure of such funds shall be determined solely by the governing authority of the political subdivision or political subdivisions to which the funds are appropriated. The legislature may require a report concerning the allocation and expenditure of such funds.

Source: New

Comment: This provision grants to political subdivisions control over specific expenditure of funds appropriated by the legislature when the legislature fails to specify within the act making the funds available the particular purposes and amounts for which such funds shall be allocated.

Section 11. Governing Authorities of Political Subdivisions; Controls Over Agencies They Create

In addition to any other powers granted by the legislature, the governing authority of a political subdivision shall have the following powers over any agency heretofore or hereafter created by it:

1. to appoint and remove members of the governing body of the agency;
2. to exercise budgetary and fiscal control over the agency, including the power to modify or veto its operating budgets, or veto or reduce line items; or to substitute a different budget therefor;
3. to abolish the governing body of the agency and to substitute itself therefor, with authority to exercise all of its powers and functions; and
4. to abolish the agency if the obligations or indebtedness of the agency are not thereby impaired.

(B) No such agency shall have authority to levy a tax, impose any charge, or issue bonds unless the proposal therefor is first approved by the governing local governmental subdivision authority of the political subdivision; provided, how-

ever, that after such original approval is granted no further approval shall be required.

(C) If the creation of the agency required the concurrence of two or more such governing authorities, concurrence of all of them shall be required for the exercise of the above power.


Comment: Restates the source provision without substantive local governmental subdivision, but adds authority to political subdivisions to appoint and remove members of the governing bodies of agencies created by them, and adds authority to the governing authority of the political subdivision to substitute itself for the governing board and to exercise all of its powers and functions.

Section 12. Special Districts and Public Agencies: Consolidation, Merger, and Assumption of Debt

(A) Any local governmental subdivision may consolidate and merge into itself any special district or public agency, except school districts, situated and having jurisdiction entirely within the boundaries of such local governmental subdivision.

Upon such merger or consolidation the local governmental subdivision shall succeed to and be vested with all of the rights, revenues, resources, jurisdiction, authority, and powers of such special district or public agency. No such action shall take effect unless a majority of the electors in such special district and a majority of the electors in the political subdivision assuming the debt who vote in an election held for that purpose vote in favor thereof.

(B) If the special district or public agency which is abolished has any outstanding indebtedness, the authority provided for by this Section shall not be exercised unless provision is made for the assumption of such indebtedness by the governing authority or authorities of the local governmental subdivisions involved.


Comment: (a) The source provides the legislature may authorize any parish to assume the debt of certain enumerated special districts. The new section authorizes any local governmental subdivision to merge into itself any district or public agency, except school districts, lying entirely within its boundaries. The requirement
of legislative authorization is removed. Present
provision requires a majority in number and amount to
approve the action. Proposed provision requires a
majority of the electors. This brings the provision
into conformity with recent United States Supreme
Court decisions to eliminate the taxpayer requirement
for voting in such elections.
(b) Provides the local governmental subdivision
must assume any indebtedness of the special district
as a condition of the merger.
(c) The present provision only provides for merger
when the special district has a debt. Under the pro-
posed section, a local governmental subdivision may
merge into itself a special district which has no debt.

Section 13. Local Officials
Section 13. The electors of each local governmental
subdivision shall have the exclusive right to elect
the members of their governing authority and, if a plan,
or form of government or home rule charter so provides,
their chief executive officer at elections held in
accordance with the election laws of the state. Such
officials shall not be subject to removal by the legi-
slature. The salaries of those officials shall not be
reduced during the terms for which they are elected.


Comment: Retains source but broadens it to include parish
officials.

Section 14. Filling of Vacancies; Appointment
Section 14. (A) Vacancies occasioned by death,
resignation, or otherwise, in the office of police
jurer, city council, parish or municipal governing
authority, or special district thereof, mayor, and
any other local official elected within the boundaries
of the political subdivision shall be filled by
appointment by the governing authority of the political
governmental subdivision, unless otherwise provided by the home rule
charter or home rule plan of government of the affected
political subdivision. Vacancies in the membership
of city or parish school boards shall be filled by
appointment by the remaining members thereof. A tie
vote by the governing authority of the political sub-
political subdivision or school board shall be broken by its presiding
officer regardless of the fact that he may already have
voted as a member of the appointing body.

(B) If, at the time a vacancy occurs in an elective
office for which appointment is provided in Paragraph A
of this Section, the unexpired portion of the term of
office is more than one year, a special election to
fill the vacancy shall be called by the governing
authority, and held without the necessity of a call by
the governor, not more than six months nor less than
three months, after first receipt of notice of the
vacancy by the secretary of state, to be given as here-in
local governmental subdivision
after provided, in the political subdivision or special
district thereof in which the vacancy occurred, and in
such case the appointment provided for in Paragraph A
of this section shall be effective only until a successor
is duly elected and qualified.

(C) Upon being informed of the occurrence of a
vacancy in any of the offices specified in Paragraph A
of this Section, the clerk or chief clerk of the dis-
triet court in the parish where the vacancy occurred,
and in the parish of Orleans the clerk or chief clerk
of the Criminal District Court, shall, within twenty-
four hours after being thus informed, notify the secretary
of state in writing by registered or certified mail
of the occurrence of the vacancy. Upon receipt of such
notice, the secretary of state shall, within twenty-
four hours after such receipt, notify in writing by
registered or certified mail all election officials,
including party committees and boards of supervisors
of elections, having any duty to perform in connection
with a special election to fill such vacancy of the
occurrence of the vacancy.

(D) Nothing in this Section shall be construed as
changing the qualifications for the various offices
involved and all appointments must be of persons who
would otherwise be eligible to hold offices to which
appointed.

(E) The provisions of this Section shall apply
to all political subdivisions unless otherwise provided
by the home rule charter or the home rule plan of govern-
ment of the affected political subdivision.

(F) Vacancies occasioned by death, resignation or
otherwise in the office of sheriff, assessor, clerk
of a district court, or coroner shall be filled by
appointment by the governing authority of the parish
at the time and in the manner provided in paragraphs (B)
and (C) of Section 14 of this Article.

(G) The provisions of this Section shall not apply

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include political subdivisions and special districts.

Section 18. Zoning
Section 18. Local governmental subdivisions
Section 18. Local subdivisions may enact land use regulations and zoning ordinances and create and classify therein residential, commercial, industrial, and other districts, and may regulate the preservation of the character of buildings, monuments, structures, and buildings and areas of historical importance. Local governmental subdivisions shall, or Political subdivisions may create airport zones and regulate the heights of buildings, structures, and objects of natural growth in areas surrounding airports.


Comment: The source provision grants zoning authority to municipalities generally, and to certain named parishes. The revision extends the general authorization to all political subdivisions.

Section 19. Industrial Areas
Section 19. The legislature may authorize parishes to create industrial areas within their boundaries in accordance with such procedures and subject to such regulations as the legislature shall determine. Parish industrial areas shall not be subdivisions of the state.


Comment: The above revised provision continues the legislative authority to permit the creation of industrial areas, but leaves all of the procedures and regulations to the discretion of the legislature.

Section 20. Assistance to Local Industry by Political Subdivisions
Section 20. (A) Subject to such restrictions as it may impose, the legislature may authorize any political subdivision, in order (i) to induce and encourage the location of or addition to industrial enterprises therein, or (ii) to provide for the establishment and furnishing of industrial plants for the conversion or processing of raw farm or agricultural products, or (iii) to provide movable or immovable property, or both, for pollution control facilities: (1) to issue
bonds and use the funds derived from the sale thereof to acquire and improve industrial plant sites and other property necessary to the purposes thereof; (2) to acquire, through purchase, construction, or otherwise, and to improve, industrial plant buildings and industrial plant equipment, machinery furnishing and appurtenances; and (3) to sell, lease, or otherwise dispose of all or any part of the foregoing.

(b) It is hereby found and declared that the purposes designed to be accomplished herein are public and proper legal purposes and will be of public benefit to the political subdivision issuing the bonds.


Comment: (a) The source provision provides detailed procedures for the issuance of bonds by political subdivisions to induce, encourage, and aid the location of industry therein. Paragraph A of the revised section adopts the principle that the legislature may authorize such bonds, and the detailed procedures for the issuance of the bonds are omitted from the constitution and should be placed in the statutes.

(b) Continued present stipulation that each bond is for public and proper legal purposes.

Section 21. Creation of Special Districts: Authority

Section 21. The power of the legislature by general or special law to create or authorize the creation of special districts, boards, agencies, commissions, and authorities of every type, vested in carrying on the duties and functions of political subdivisions and, subject to the limitations imposed in this constitution, to grant the special districts, boards, agencies, commissions, and authorities so created such rights, powers, and authorities as it deems proper, including, but not limited to, the power of taxation, the power to incur debt and issue bonds, and the power to reclaim property from the beds of lakes and streams, is hereby confirmed.

Source: New

Comment: (1) It is the purpose of this Section, not only to clearly vest plenary authority in the legislature to create or authorize the creation of special districts and authorities of every type and define their powers, but this Section is also to negate any argument that further constitutional authority is necessary for the legislature to exercise this function. The legislature will, however, be subject to limitations otherwise provided by the constitution, such as tax exemptions and debt limitations.

(2) The effect of the above section is to remove from the constitution the following: (1) ports, harbors and terminal districts (§§80.3 and 31); (2) Lake Charles Harbor and Terminal District (§80.2); (3) navigation and river improvement districts (§80.3 and 10.4); (4) Red River Waterway (§80.5); (5) garbage districts (§14); (6) Fourth Jefferson Drainage District (§15); (7) Jefferson Parish community center and playground districts (§16); (8) Jefferson Parish subsewerage districts (§37.1); (9) Jefferson Parish public improvement districts (§38); (10) Calesieu community center and playground districts (§39.1); (11) Jefferson Parish drainage districts (§43); (12) Sabine River Authority (§45); and (13) Louisiana Stadium and Exposition District (§47). The foregoing list is not exclusive.

(References are to present sections.)

(3) It is the purpose of the revised section to continue by legislative acts the special districts, boards, agencies, commissions, and authorities provided for in the present Article XIV. Legislation should be submitted to place them in the revised statutes.

(4) It is further recognized, however, that certain existing agencies by reason of their importance, scope, or peculiar circumstances have or should have special treatment in the constitution, such as the Civil Service Commission.

Section 22. Recall

Section 22. The legislature shall by general law provide for the recall of state, district, parish, municipal, or ward officers, except judges of the courts of record, and except therein otherwise provided by this constitution. The sole issue to be voted on at any recall election shall be whether such officers shall be recalled.


Comment: This Section is taken from the source provision, and makes no changes in the law.

Section 23. Classification

Section 23. Except as provided in this constitution,
the legislature may classify parishes or municipalities
according to population or on any other reasonable basis
related to the purpose of this classification, and legis-
lation may be limited in its effect to any of such class
or classes; but, no statute which is applicable to
fewer than six parishes or municipalities shall become
operative in any such parish or municipality until
approved by ordinance enacted by the governing authority
of the parish or municipality.


Comment: Under the source provision, legislation appli-
cable to fewer than the five largest cities of the state
shall not become operative in the city of New Orleans
until approved by a majority of the qualified electors
of the city of New Orleans voting at an election. The
revision deals with laws which classify either parishes
or municipalities and provides that if a law is appli-
cable to fewer than six parishes or municipalities, the
law becomes operative in the parish or municipality to
which it applies only if approved by the voters of that
parish or municipality. Thus, the law becomes operative
in a municipality or parish where it is approved, even
if it does not become operative in others because the
voters disapprove or no election is held. The exception
deals with municipal taxation; under that section the
legislature is authorized to make exceptions for individ-
ual municipalities from general laws pertaining to
taxation.

Section 24. Uniform Procedure for Calling, Conducting,
and Canvassing the Returns of Certain Special
Elections

Section 24. When any election is required to be
held in any political subdivision pursuant to the pro-
visions of this constitution which requires submission
to the electors of any proposition or question, such
as the change of parish lines, change of location of
parish seat, levying of taxes, issuance of bonds or
incurring of other debt obligations, the assumption of
debt, referendum, recall, or the adoption of a home
rule charter, the election shall be called, conducted,
and the returns thereof canvassed, in accordance with
the law pertaining to elections for incurring bonded
indebtedness and special taxes relative to local fi-
ance, as the same now exists or may hereafter be
amended, or as may be otherwise provided by the
legislature.

Source: New

Comment: Provides that applicable procedures set forth
in the statutes shall be followed when holding special
elections.

Section 25. Supremacy of Constitution

Section 25. The provisions of this constitution
shall be paramount and neither the legislature, nor
any political subdivision, shall enact any laws or ordi-
ances in conflict therewith.

Source: New

Comment: Provides for supremacy of the constitution over
law and ordinance enacted by the legislature and by

the legislature and political subdivisions.

Section 26. Intergovernmental Cooperation

Section 26. Any political subdivision may exer-
cise and perform any of its authorized powers and
functions, including the financing, jointly or in
cooperation with one or more political subdivisions,
either within or without the state, except as the legis-
late shall provide otherwise by law.

Source: New. See, however, South Dakota Const. Art. IX,
§3 (1889).

Comment: Provides for intergovernmental cooperation be-
tween parishes and municipalities and between these
political subdivisions and the state and federal
government.

Section 27. Terms Defined

Section 27. As used in this constitution:

(1) "Local governmental subdivision" means any
parish or municipality;

(2) "Municipality" means all incorporated cities,
towns, and villages;

(3) "Political subdivision" means parishes and
municipalities, and any other unit of local govern-
ment authorized by law to perform governmental functions;

(4) "Governing authority" means the body which
exercises the legislative functions of the political
subdivision;

(5) "General law" as used in this Article refers
to a law of statewide concern which is uniformly appli-
cable to every political subdivision in the entire
state or which is uniformly applicable to all political
subdivisions within the same class as established in
accordanco

Constitutional Convention of Louisiana of 1973

DELEGATE PROPOSAL NUMBER

Introduced by Delegate Ethan J. Chatelain

A PROPOSAL

Section 8. Home Rule Charter

Section 8. (A) Any local governmental subdivision may draft, adopt, or amend a charter of government to be known as a home rule charter in accordance with the provisions of this section. The governing authority of any such local governmental subdivision may appoint a commission to prepare and propose a charter, or may call an election for the purpose of electing such a commission.

(B) The governing authority of any such local governmental subdivision shall call an election to elect a commission to prepare and propose a charter or alternate charter when presented with a petition signed by not less than fifteen percent of the electors who live within the boundaries of the affected subdivision, as certified by the registrar of voters.

(C) A home rule charter shall be adopted when approved by a majority of the electors voting on the charter proposal at an election called for that purpose.

(D) Two or more local governmental subdivisions situated within the boundaries of one parish may avail themselves of the provisions of this section, provided that a majority of the electors who vote in each local governmental subdivision, in an election held for that purpose, vote in favor thereof. The legislature shall provide for the method of appointment or election of a commission to prepare and propose such a charter, provided, however, that at least one member of the commission shall be elected or appointed from each such local governmental subdivision. The legislature shall provide the method by which the electors of more than one local governmental subdivision within the boundaries of one parish may petition for an election for such purpose.

(E) A home rule charter, or any amendment thereto, adopted pursuant to the provisions of this section, shall provide for the structure, organization, powers and functions for the government of the local governmental subdivision, which may include the exercise and performance of any power and function necessary, requisite, or proper for the management of its affairs, not denied by general law or this constitution; provided, however, the legislature shall not pass any law the effect of which changes, modifies, or affects the structure, organization and/or the particular distribution and redistribution of the powers and functions of any local governmental subdivision which operates under a home rule charter.

CONSTITUTIONAL CONVENTION OF LOUISIANA OF 1973

SUBCOMMITTEE PROPOSAL NUMBER

Introduced by Delegate George Dewey Hayes

A PROPOSAL

To provide that additional cities, towns, or villages may be incorporated in home rule parishes.

PROPOSED SECTION:

ARTICLE ____, SECTION ____. HOME RULE PARISH; INCORPORATION OF CITIES, TOWNS, AND VILLAGES

SECTION ____. When two-thirds of the electors of an unincorporated settlement in any parish operating under a home rule charter or a home rule plan of government sign and present to the governor a petition and meet other necessary requirements as set forth under the general laws providing for the incorporation of cities, towns, and villages, such cities, towns, and villages may be incorporated.

SOURCE: New

Comment: LSA-R.S. 33:32, 33:33, 33:51, and 33:52 set forth the requirements that must be met before incorporation is possible. This gives constitutional sanction to the incorporation of settlement in parishes operating under a charter or home rule plan of government.
B. Special Districts: Sewerage, Water, Levee and Other Related Districts

CC-1181
Constitutional Convention of Louisiana of 1973

Committee Proposal Number
Introduced by Delegate Perez, on behalf of the Committee on
Local and Parochial Government, and Delegate: Burson,
Cannon, Chatelain, Conino, D'Ogerolamo, Fowler,
Giarrusso, Hayes, Heine, J. Jackson, Kean, Lanier,
Reeves, Shannon, Stephenson, Taylor, Toomy, Ullo,
and Servigon

A Proposal

Making general provisions for levee districts and necessary
provisions with respect thereto.
Be it adopted by the Constitutional Convention of Louisiana
of 1973:

ARTICLE XII. LEVEE DISTRICTS
Section 1. Levee Districts
Section 1. (A) Levee districts as now organized and
constituted shall continue to exist, except that:
(1) The legislature may provide for the consolidation,
division, or reorganization of existing levee districts or
create new levee districts; however, the members of the
boards of commissioners of such districts shall be appointed
or elected from residents of such district;
(2) Any levee district whose flood control responsi-
bilities are limited to and which is situated entirely within
the boundaries of one parish may be merged and consolidated
into such parish under the terms and conditions and in the
manner provided in Section 18 of Article X. This provision
shall be self-operative.

(B) No action taken hereunder shall impair the obligation
of any outstanding bonded indebtedness or of any other contract
of such levee district.

CC-1181
1 Section 4. Interstate Districts
Section 4. The legislature, with the concurrence of an
adjoining state, may create levee districts composed of terri-
tory partly in each state, and may authorize the construction
and maintenance of levees wholly within another state.
Section 5. Cooperation with Federal Government
Section 5. All governing authorities of levee districts
which have been, or may be created, are authorized to cooperate
with the federal government in the construction and maintenance
of the levees in this state, on such terms and conditions as may
be provided by the federal authorities and accepted by the
levee districts.

Section 6. Compensation for Property Used or Destroyed;
14 Tax
Section 6. (A) Lands and improvements thereon hereafter
actually used or destroyed for levees or levee drainage pur-
poses shall be paid for at a price not to exceed the assessed
value for the preceding year, provided, if property used or
destroyed for levees or levee drainage purposes from a land-
owner shall exceed more than one-third the value of that
landowner's property and improvements, the land and improve-
ments thereon used or destroyed for such purposes shall be

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Section 6. (A) Lands and improvements thereon 
hereafter actually used or destroyed for levees or 
levee drainage purposes shall be paid for at a price 
not to exceed the assessed value for the preceding year; 
provided, that this shall not apply to bate or to property 
the control of which is vested in the state or 
any subdivision thereof for the purpose of commerce; 
and provided, further, that if property used or destroyed 

for levees or levee drainage purposes from a landowner 
shall exceed more than one-third the value of that 
landowner's property and improvements, the land and 
improvements therefore used or destroyed for such purposes 
shall be paid for at fair market value. 
(B) If the district has no other funds or resources 
out of which such payment can be made, it may levy, on 
all taxable property situated therein, an ad valorem tax 
sufficient to pay for said property so used or destroyed 
to be used solely in the district where collected. 
This shall not prevent the appropriation of said property 
before payment. 
Referred back to Subcommitte on Special Districts; Sewerage, 
Water, Levee, and Other. 

Comment: Paragraph (A) repeats the source provision with 
two exceptions: 1) it deletes provisions relative to 
aquisition of property in and replacement of streets 
in municipalities of one hundred thousand population; 
2) it adds a provision requiring the reimbursement, at 
full market value, of a landowner when the property and 
improvements used or destroyed by a levee district 
exceeds one-third the value of that landowner's prop-
erty and improvements.

Paragraph (B) deletes provisions relative to the 
relocation and restoration of streets and highways in 
municipalities of one hundred thousand population.
C. Special Districts: Transportation, Ports and Harbors

1 Constitutional Convention of Louisiana of 1973
2 DELEGATE PROPOSAL NUMBER
3 Introduced by Delegate Cannon
4 AN AMENDMENT
5 Louisiana Deep Water Ports: Definition of Deep Water Ports;
6 Established Deep Water Ports; Powers and Authorities;
7 Organization; Board of Commissioners, Port of New
8 Orleans; Territorial Limits
9 PROPOSED SECTIONS:
10 Article seven, Section one. Louisiana Deep Water Ports:
11 Creation; Powers and Authorities; Improvements by
Riparian Owners Within Limits of Deep Water Ports
12 Section two. The legislature of the State of Louisiana is further empowered to create by law Louisiana
depth water ports, situated on navigable waterways having
a depth of not less than twenty-five feet and capable
of serving deep draft-international waterborne trans-
portation; to fix their territorial limits; to provide
for their organization and government; to define the
duties, powers, and jurisdiction of their governing
authorities; and to delegate to them such general and
special powers as are conferred by this constitution
on Louisiana deep water ports; provided that in so
creating such deep water port authorities, the legislature
shall not encroach upon or in any way restrict or dimin-
ish the respective territorial limits, or powers and
functions, authorities, structures or organization, of
the established deep water ports, as set forth in this
constitution except by a two-thirds vote of the legis-
lature.
wharves, terminal rail facilities, and other facilities which
are port-connected. Said port authorities shall have full
power to acquire by purchase, exchange, lease, expropriation,
or otherwise, any property deemed necessary by said authorities
for the commerce or other public purposes of aid ports subject
to territorial limitations and title to all such properties,
moveable and immovable, presently held or to be acquired by
said authorities, shall be vested in the State of Louisiana.
Said authorities shall have full powers to lease, sell, exchange,
or otherwise dispose of any such properties, including, without
limitation, any wharves, buildings, improvements, structures,
or facilities of any nature whatsoever subject to general law
of the state.

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Constitutional Convention of Louisiana of 1973
DELEGATE PROPOSAL NUMBER
1 Introduced by Delegate Cannon

AN AMENDMENT

7 Louisiana Deep Water Ports; Definition of Deep Water Ports;
Established Deep Water Port; Powers and Authorities;
Organization; Board of Commissioners, Port of New Orleans;
Territorial Limits

Section ___. Louisiana Deep Water Ports Constituted as
Industrial Districts; Acquisition of Industrial
Development Sites; Construction of Industrial Plants;
Leasing

Section ___. Without in any way limiting any other powers
of said authorities, Louisiana deep water ports shall be em-
powered and have the right to acquire industrial development
sites and to construct industrial plants and buildings with
necessary manufacturing and processing machinery and equipment,
and to lease such sites, plants, buildings, machinery, and
equipment for use and operation by private enterprise to
provide additional sources of revenue to said authorities and
to encourage industrial development within their respective
areas.

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Constitutional Convention of Louisiana of 1973
DELEGATE PROPOSAL NUMBER
1 Introduced by Delegate Cannon

AN AMENDMENT

7 Louisiana Deep Water Ports; Definition of Deep Water Ports;
Established Deep Water Port; Powers and Authorities;
Organization; Board of Commissioners, Port of New Orleans;
Territorial Limits

Section ___. Managerial Powers

Section ___. Said governing authorities of deep water
ports shall have the sole power of organization and of control
of all their departments, pursuant to their authorities powers
and functions subject, however, to civil service requirements
as established by state law. These powers shall include, but
not be restricted to the accounting methods, business procedures
fiscal affairs, and revenues of said authorities, and each of
said authorities shall be the sole judge of the investments
of its funds. These powers shall not require any further
enabling legislation.

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1 Constitutional Convention of Louisiana of 1973
2 DELEGATE PROPOSAL NUMBER
3 Introduced by Delegate Cannon

AN AMENDMENT

7 Louisiana Deep Water Ports; Definition of Deep Water Ports;
Established Deep Water Port; Powers and Authorities;
Organization; Board of Commissioners, Port of New Orleans;
Territorial Limits

Section ___. Improvements by Riparian Owners Within
Limits of Deep Water Ports: Expropriation; Just
Compensation

Section ___. Riparian owners of property on navigable
rivers or streams within the limits of the deep water ports
as hereinafore defined shall have the right to erect and
maintain on the batters or banks owned by them, such wharves,
buildings, or improvements, as may be required for the purposes
of commerce, navigation, or other public purposes; provided,
however, that where such owners have first obtained the con-
sent of the governing authority of such deep water port to
erect such wharves, buildings, or improvements, and same
are erected in conformity to plans and specifications that
have been approved by such governing authority, such owners
shall be entitled to claim just compensation for, and the
said governing authority may expropriate said wharves, buildings,
or improvements whenever said improvements or the riparian
front shall be required for public purposes, but where such
consent and approval is not obtained no compensation shall be
allowed. In all cases such wharves, buildings, or improvements
shall remain subject to the administration and control of
such governing authority with respect to their maintenance and
to the fees and charges to be exacted for their use by the public.

Nothing herein shall deprive the levee boards of their authority

CC-

1 with respect to levees in their respective districts or their
2 right to appropriate, without compensation, such wharves,
3 buildings, or improvements.
Constitutional Convention of Louisiana of 1973

DELEGATE PROPOSAL NUMBER

Introduced by Delegate Cannon

AN AMENDMENT

Louisiana Deep Water Ports; Definition of Deep Water Ports;

Established Deep Water Ports; Powers and Authorities;

Organization; Board of Commissioners, Port of New

Orleans; Territorial Limits

PROPOSED SECTION:

Section___. Board of Commissioners, Port of New

Orleans; Territorial Limits; Number of Members,

Qualifications, Appointment, Vacancies

Section____. The board shall exercise all such

powers and authority within the territorial limits of

the Port of New Orleans, which shall comprise the parish

of Orleans and that portion of the parish of Jefferson fronting

on the Mississippi River and that portion of the parish

of St. Bernard fronting on the Mississippi River from

the Orleans, St. Bernard parish districts to the Chalmette

slip, or concerned with deep draft-international water-

borne transportation.

The Board of Commissioners of the Port of New Orleans

shall consist of seven members, who shall serve without

compensation and who shall be experienced in commerce or

industry or both, two of whom shall be residents and

electors of the parish of Jefferson, two of whom shall

be residents and electors of the parish of Orleans,

one of whom shall be a resident and elector of the parish

of St. Bernard, one of whom shall be a resident and

elector of any parish in the State of Louisiana except

the parishes of Jefferson, Orleans, and St. Bernard,

one of whom shall be a resident and elector of the parish

having the largest population of these three parishes

and shall reside and have his principal place of business

on the West Side of the Mississippi River. In the event

St. Bernard would be the parish of greatest population

the member having to be from the West Side of the

Mississippi River would not apply.

Those members who must be residents and electors

of the parishes of Jefferson and St. Bernard shall be

appointed by the governor from a list of three names for

each appointment selected in a manner to be determined by

the governing authority of each such parish. Those

members who must be residents and electors of the

parish of Orleans shall be appointed by the governor

from a list of three names for each appointment sub-

mitted by the Chamber of Commerce of the New Orleans

Area, the New Orleans Board of Trade, the New Orleans

Clearing House Association, the New Orleans Steamship

Association, and the International House. The seventh

member shall be appointed directly by the governor.

Members serving on the effective date of this constitu-
tion shall complete their respective terms of office,

with their successors and the additional members to be

chosen as provided hereinabove. At that time, two

additional members are to be appointed from the parishes

of Jefferson and St. Bernard, with the first member

from the parish of Jefferson being appointed for a term

of three years. The first vacancy arising by expiration

of term of office shall be filled from the parish of

Jefferson and the next such vacancy shall be filled by

direct appointment of the governor.

Any vacancy in the membership of the board from

the parishes of Jefferson or Orleans shall be filled

by the governor of the state within fifteen days after

receipt by him of the names of the nominees submitted

to him by the organizations specified hereinabove in

the following manner: the nominating organizations of
each parish for which a vacancy might exist shall

each choose two nominees having the necessary qualifica-

tions for each vacancy occurring on said board, and

shall submit the names of such nominees in writing to

a committee consisting of the presidents or recognized

executive heads of such nominating organizations of

said parish, who shall select three nominees from among

those names submitted to it by the nominating organi-

zations and shall certify the names of the three nomi-

nees selected to the governor of the state.

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SUBCOMMITTEE PROPOSAL NUMBER

Introduced by

A PROPOSAL

Lake Charles Harbor and Terminal District; Ratification;

Board of Commissioners, membership; powers and

authority; bonds.

PROPOSED SECTIONS:

Article ____ Section ____. Ratification

Section ____. The 1924 Act creating the Lake

Charles Harbor and Terminal District shall be deemed

and held to be ratified and confirmed.

Section _____. Board of Commissioners; Membership

The Board of Commissioners of Lake Charles Harbor

and Terminal District shall be appointed by the

governor with the advice and consent of the Senate.

The board shall consist of five members who shall
be citizens of the United States and qualified
voters and taxpayers, and inhabitants of said
district during their terms of office. The com-
missioners shall serve overlapping terms of six years
each. The present members shall continue to serve
on the board for the duration of their respective
terms. Any vacancies in the membership of the board
hereafter occurring by reason of expiration of the
terms for which appointed, or by reason of death,
resignation or otherwise shall be filled in the follow-
ing manner:
(A) The first vacancy shall be filled from a
list of three nominees submitted to the
 governor by the central office of the
American Rice Growers Cooperative Association
at Lake Charles, Louisiana.
(B) The next vacancy shall be filled from a list
of three nominees submitted to the
governor by the Lake Charles and Vicinity Central
Trades and Labor Council, AFL-CIO, as one
organization.
(C) The next vacancy shall be filled from a
list of three nominees submitted to the
governor by the Lake Charles Maritime
Association.
(D) The next vacancy shall be filled from a
list of three nominees submitted to the
governor by the Greater Lake Charles
Chamber of Commerce, and the West Calcasieu
Chamber of Commerce acting as one organization.
(E) The next vacancy shall be filled from a list
of three nominees submitted to the governor
by the state senators and representatives
in the legislature representing the parish
of Calcasieu.
(F) Any further vacancies shall be filled in
the same order of rotation as shown herein
above.
(G) If now, or hereafter, one or more of the five
organizations or groups set forth above
has no commissioner on the board, the governor,
the board, and the five organizations shall
proceed to rectify this failure of repre-
sentation of one or more groups by diverting,
in case of a vacancy, from the order of
appointments named hereinabove and by
receiving nominations instead from the unrep-
resented organizations or groups, and then
thereafter, shall revert to the order of
nominations and appointments, as set forth
in Subparagraphs (A) through (E) above.

(H) If any one or more of the organizations
referred to in Subsection B hereof ceases
to exist or to function without any legal
successor, then the nominees to be submitted
to the governor by such organization shall
instead be submitted by the state senators
and representatives representing the parish
of Calcasieu.
(I) In the event that for any reason the governor
fails to receive three nominees for a given
vacancy, as provided hereinabove, within sixty days after the expiration of
the term of any member of the board or the
occurrence of a vacancy on the board from any
other cause, the governor shall proceed
forthwith to make an appointment to fill
such vacancy. The organization failing to
submit such nominees shall lose its turn
in the rotation.
(J) Any commissioner may be removed by the gov-
ernor, but only for cause and on charges
preferred against him in writing and after
public hearing and proof of the sufficiency
of such charges; provided that any commissioner
so removed shall have the right to test in
the courts the sufficiency of the charges
and of the evidence tendered in support
thereof.
(K) The commissioners shall serve without compen-
sation and shall have the power to organize
and reorganize legal, executive, engineering,
clerical, and other departments and forces of
the said board and to fix the duties, powers,
and compensation of all officers, agents and
employees of said board.

Section 3. Powers and Authority: Bonds
The Legislature of the State of Louisiana is em-
powered to fix the territorial limits of said
district; to provide for their organization and
government; to define the duties, powers and
jurisdiction of its governing authority and to
delegate to the Board of Commissioners the
authority to regulate the commerce and traffic
within the port area in such manner as may, in
its judgment, be for the best interest of the state; to acquire by right of eminent domain, purchase, lease, or otherwise, the land that may be necessary for the business of said district; to acquire by purchase, lease or otherwise, industrial plant sites and necessary property or appurtenances therefor and to acquire or construct industrial plant buildings with necessary machinery and equipment within said district; to borrow from any person or corporation using or renting any land or dock or warehouse or any facility of said district such sums as shall be necessary to improve the same according to plans and specifications approved by the governing authority, and to erect and construct such improvement, and agree that the loan therefor shall be liquidated by deducting from the rent, dock, wharf or toll charges payable for such property, a percentage thereof to be agreed upon, subject, however, to any covenants or agreements made with the holders of revenue bonds issued under the authority hereinafter set forth; to collect tolls and fees; to borrow funds for the business of said district; to levy and collect taxes; to mortgage properties constructed or acquired by said district and to mortgage and pledge any lease or leases and the rents, income and other advantages arising out of any lease or leases granted, assigned or subleased by the district; to incur debt and issue bonds for the needs of said district in the manner provided by the constitution and laws of the State of Louisiana: including, but not by way of limitation, Article XIV, Section 14, Paragraph (b.2) of the constitution. Any revenue producing wharf, dock, warehouse, elevator, industrial facility or other structure owned by or to be acquired by said district from the proceeds of bonds issued by them is hereby declared to be a revenue producing public utility as that term is used and defined by the constitution and law of the State in connection with the issuance of revenue bonds of political subdivisions of the State. Without reference to any other provisions of this constitution or of any law enacted thereunder and as a grant of power in addition to any other authority to issue bonds, said board is authorized, with the approval of the State Bond and Tax Board, to issue negotiable bonds for any purpose within the authority delegated them, and to pledge for the payment of the principal and interest of such negotiable bonds the income and revenues derived or to be derived from the properties and facilities maintained and operated by it; or received by the district from other sources. In addition to the pledge of income and revenues to secure said bonds, the district may further secure their payment by a conventional mortgage upon any or all of the properties constructed or acquired, or to be constructed and acquired by it. Such bonds shall be authorized by a resolution of the governing authority of the district and shall be of such series, bear such date or dates, mature at such time or times not exceeding forty years from their respective dates, bear interest at such rate or rates not exceeding eight per centum per annum, payable semi-annually, be in such denominations, be in such form, either coupon or fully registered without coupons, carry such registration and exchangeability privilege, be payable in such medium of payment and at such place or places, be subject to such terms or redemption not exceeding one hundred five per centum of the principal amount thereof, and be entitled to such priority on the revenues of the district as such resolution or resolutions may provide.

(5)

Comment: The section dealing with the nominating organization being unrepresented is deleted from the source provision and is recommended to be placed in the statutes.

Language which details the powers and duties of said board is deleted and is recommended to be placed in the statutes.

Money, aid, or assistance acquired by said district is deleted and is recommended to be placed in the statutes.

Detail language concerning signing of the bonds, their advertisement, and right to contest the legality of the bond issue is deleted and is recommended to be placed in the statutes.

Interest rates of bonds issued by said board is changed from five per centum per annum to eight per centum per annum.

CC-1 Constitutional Convention of Louisiana of 1973 2 DELEGATE PROPOSAL NUMBER 3 Introduced by Delegate Perez 4 A PROPOSAL 5 Providing for Board of Commissioners of the Port of New

[221]
nominates selected by the governor of the state.

Section 2. Powers and Authority: Territorial Limits
The Board of Commissioners of the Port of New Orleans shall exercise its powers and authority within the territorial limits of the Port of New Orleans, which shall comprise the parish of Orleans, that portion of the parish

Page 2

of Jefferson fronting on the Mississippi River and that portion of the parish of St. Bernard fronting on the Mississippi River, between the Orleans-St. Bernard Parish line and the Chalmette Slip.

Section 3. Construction of Channels, Locks, Other Permanent Structures Prohibited
No channels, locks, wharves, docks, or other permanent structures shall be sponsored, constructed, caused to be constructed, or permitted by said board in the parishes of Jefferson or St. Bernard until and unless the governing authority of such parish in which the works are proposed, by ordinance, approves such action or proposed works.

Section 4. Ports
All deep water port commissions, and all deep water port, harbor and terminal districts as they are now organized and constituted, shall continue to exist, except that:

1. The legislature may diminish, reduce, or withdraw from any such commission or district, including the Board of Commissioners of the Port of New Orleans, any of its powers and functions and may affect the structure, organization, distribution and redistribution of the powers and functions of any such commission or district, including its territorial jurisdiction, by act passed by at least a two-thirds vote of the elected membership of each house.

2. The legislature may by law grant additional powers and functions to any such district.

3. The legislature may create new port commissions or port, harbor and terminal districts by law.

Section 5. Definitions
"Deep water" as used regarding port commissions and port, harbor and terminal districts, means those ports

Page 3

which are capable of accommodating vessels of twenty-five feet of draft and engaged in foreign commerce.

Source: New
CC/RS-221

Constitutional Convention of Louisiana of 1973

SUBCOMMITTEE PROPOSAL NUMBER

Introduced by

A PROPOSAL

For members of Board of Commissioners of the Port of New Orleans; Appointment; Qualifications; Term of Office; Organization of Board; Notice of, and Nominations to Fill, Vacancies; Political Affiliations Prohibited; Removal

PROPOSED SECTIONS:

Article ___, Section ___. Powers and Authority:

Section ___. The Board of Commissioners of the Port of New Orleans shall have the authority to do all things necessary to promote and regulate the commerce and traffic of the port; and shall have the full power to provide and administer all facilities which are necessary to the above purposes, including but not limited to, the building, maintenance, and operation of public wharves and other facilities which are port connected. The Board of Commissioners of the Port of New Orleans shall have full power to acquire by purchase, exchange, lease, expropriation, or otherwise, any property deemed necessary by said board for the commerce or other public purposes of the port and to lease, sell, exchange, or otherwise dispose of any such properties, including, without limitation, any wharves, buildings, improvements, structures, or facilities of any nature whatsoever. The board shall exercise all such powers and authority within the territorial limits of the Port of New Orleans, which shall comprise the parish of Orleans and those portions of the parishes of Jefferson and St. Bernard fronting on the Mississippi River or concerned with deep draft-international waterborne transportation.

Section ___. Number of Members; Qualifications;

Appointment; Vacancies

Section ___. The Board of Commissioners of the Port of New Orleans shall consist of five members, who shall serve without compensation, and who shall be experienced in commerce or industry, or both. The categories of representation from the three parishes of Jefferson, Orleans, and St. Bernard, as set forth in the enumerated paragraphs below, shall hereafter be maintained at all times. The present members, five in number, shall continue to serve on said board for the duration of their respective terms, and any vacancies in the membership of the board hereafter occurring by reason of expiration of the terms for which appointed, or by reason of death, resignation or otherwise, shall be filled by the governor of the state in the manner hereinafter provided. The first vacancy arising by expiration of term of office shall be filled from the parish of Jefferson. The next such vacancy shall be filled from the parish of St. Bernard. Qualified nominees to the governor for appointment of members to said board shall be chosen in the following manner:

(A) One member who resides and is a qualified voter in the parish of Jefferson shall be appointed by the governor within fifteen days after receipt by him of three nominees submitted to him by the Jefferson Parish Industrial Development Commission. Said three nominees shall be selected by said commission from a panel of six qualified nominees, comprising three nominees selected by the West Bank Council of the Chamber of Commerce of the New Orleans Area and three nominees selected by the East Jefferson Council of the Chamber of Commerce of the New Orleans Area.

(B) One member who resides and is a qualified voter in the parish of St. Bernard shall be appointed by the governor within fifteen days after receipt by him of three qualified nominees submitted to him by the St. Bernard Council of the Chamber of Commerce of the New Orleans Area.

(C) One member who resides and is a qualified voter in the parish of Orleans shall be appointed by the governor within fifteen days after receipt by him of three nominees submitted to him by a nominating council, comprised of the presidents or recognized heads of the nominating organizations hereinafter named. Said nominating council shall select three nominees from among a panel of names submitted to it by the following nominating organizations, which shall each select two qualified nominees:

(1) Chamber of Commerce of the New Orleans Area
(2) New Orleans Board of Trade, Ltd.
(3) New Orleans Steamer's Association
(4) International House
(5) Two members who reside and are qualified voters in the parishes of Jefferson, Orleans, or St. Bernard shall be appointed by the governor within fifteen days after receipt by him of three nominees submitted to him by a nominating council, comprised of the presidents or recognized executive heads of the nominating organizations hereinafter named. Said nominating council shall select three nominees from among a panel of names submitted to it by the following nominating organizations, which shall each select two qualified nominees:

(1) Chamber of Commerce of the New Orleans Area

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(2) New Orleans Board of Trade, Ltd.

(3) St. Bernard Council of the Chamber of Commerce of the New Orleans Area

(4) West Bank Council of the Chamber of Commerce of the New Orleans Area

(5) East Jefferson Council of the Chamber of Commerce of the New Orleans Area

-4-

(6) Jefferson Parish Industrial Development Commission

(7) New Orleans Steamship Association

(8) International House

(E) There shall be no more than two members of the said board who reside in and are qualified voters from any one of the parishes of Orleans, Jefferson, and St. Bernard.

Section ___. Dissolution of Nominating Organizations: Effect

Section ___. If any one or more of the nominating organizations referred to above shall cease to exist or to function, without any legal successor, then nominees shall nevertheless be submitted by such of said organizations as shall continue to exist and function.

Section ___. Delayed Certification; Appointment

Section ___. In the event that, for any reason, the appropriate body shall fail to certify to the governor the three nominees, as provided above, within one hundred twenty days after the expiration of the term of any member of the board, or the occurrence of a vacancy on the board from any other cause, the governor shall have the right and it shall be his duty to proceed forthwith to make an appointment to fill such vacancy.

Section ___. Term of Appointment: Filling Unexpired Term; Reappointment

Section ___. Any succeeding member appointed to fill the term of a member leaving the board, before the expiration of the term to which he shall have been appointed, shall be appointed to fill the unexpired term of such retiring or deceased member. All members appointed to the board shall be appointed for a term of five years. No member of said board shall be eligible to succeed himself unless the unexpired term to which he had been appointed to fill had less than two years to run.

Section ___. Service Until Successor Qualified

Section ___. Members shall continue to serve until their successors have been appointed and duly qualified.

Section ___. Incompatible Officers

Section ___. No member of said board shall hold any office in any political party or other political organization, nor shall he hold any public office or employment for compensation, existing under or created by the laws of the United States, the State of Louisiana, or any municipality or subdivision thereof.

Section ___. Confirmation; Removal

Section ___. Any and all appointments of members of the Board of Commissioners of the Port of New Orleans shall be made by the governor as hereinabove provided and without the advice or consent of the Senate, or confirmation by the Senate. No member thus appointed shall be removed except for cause on charges preferred against him in writing by the attorney general of the state, and after public hearing and proof of the sufficiency of said charges to justify his removal, before a court of competent jurisdiction.

Section ___. Managerial Powers

Section ___. The Board of Commissioners of the Port of New Orleans shall have the sole power of organization, and of control of all departments, without exception, of the said board, subject, however, to civil service requirements as established by state law. These powers shall include, but not be restricted to, the accounting methods, business procedures, fiscal affairs, and revenues of the said board. It shall be the sole judge of the investment of its funds. These powers shall not require any further enabling legislation.

Section ___. Powers and Authority. Borrowing

Section ___. (A) General Obligation Notes and Bonds

The Board of Commissioners of the Port of New Orleans shall have the power, without legislative enactment or authorization, to borrow money and to issue notes and bonds for any of its purposes and powers. Such borrowing shall be made and such notes and bonds issued with the concurrence of and in accordance with the procedures established by the State Bond Commission, except as hereinafter provided in subsection (B). The State Bond Commission shall, immediately following the approval of this constitution, notify the said board of its procedures.

All notes and bonds of the board issued pursuant to the foregoing authorizations shall constitute and be general obligations of the state, to the payment of which the full
faith and credit of the state shall be pledged by the board. All such bonds and notes, together with all bonds of the board outstanding at the time of adoption hereof, shall be payable from the Bond Security and Redemption Fund equally and ratably and on a parity with all general obligation bonds of the state issued under Article IV, Section 2 of the Constitution of 1921.

Nothing in this section shall be a limitation on the power of the legislature to authorize the issuance of bonds by the state for the purposes of the board, upon such terms and conditions as it deems proper.

(B) Limited Revenue Obligations. The board may borrow such sums as shall be necessary to construct or improve any port facility, provided that the loan therefor shall be secured by and liquidated only from a percentage to be agreed upon of the revenues collected for the use of such facility.

The board may issue bonds in such principal amount as may be necessary for the purpose of constructing, acquiring, or remodeling any facility which is in the power of the board to provide. This authority shall depend upon the board having entered into a lease or other agreement, by which under its terms and conditions, the bonds issued will be retired.

Such obligations and/or bonds or notes shall not be supported by the full faith and credit of the state, but shall be payable solely from the revenues of the said facility.

The board may acquire movable and immovable property subject to mortgage or other liens and may agree to the retention of vendor's lien and privilege on the property acquired, provided that the obligees shall be limited solely to the proceeds derived from enforcement of the vendor's lien and privilege and not from the general revenues or other property of the board.

(C) Tax Exemption. The principal of and interest on and income from all obligations created by the board shall be exempt from all state, parish, municipal, or other taxation, except inheritance, transfer, or gift taxes. General obligation bonds of the board shall have the same eligibility for deposit with the state or its officers or any of its political subdivisions or municipalities, as was granted by Article 321 of the Constitution of 1913 to the bonds therein authorized.


Comment: The revision changes the method of selecting members of the Board of Commissioners. The parishes of St. Bernard and Jefferson are guaranteed membership.

The provision concerning powers and authority; bor-

rowing, is modernized in language while being substan-

tively unaffected.

CC/RS-222

1 Constitutional Convention of Louisiana of 1973

2 SUBCOMMITTEE PROPOSAL NUMBER

3 Introduced by

4 A PROPOSAL

5 For members of the Greater Baton Rouge Port Commission;

6 qualifications; terms of members; vacancies; officers;

7 meetings; quorum; action by vote; indebtedness; ad

8 valorem tax; territorial limits; powers & authority

9 PROPOSED SECTIONS:

10 Article , Section . Territorial Limits; Powers

11 and Authority

12 Section . The Greater Baton Rouge Port Commission

13 shall exercise the powers herein conferred upon it within the port area consisting of the parishes of East Baton Rouge, West Baton Rouge, Iberville and Ascension as the boundaries and limits are presently fixed by law, except the industrial areas created in the parish of East Baton Rouge by the provisions of Section 1.08(b) of the Plan of Government for the Parish of East Baton Rouge and the City of Baton Rouge.

The Commission shall regulate the commerce and traffic within such port area in such manner as may, in its judgment, be for the best interest of the state. It shall have charge of and administer public wharves, docks, sheds, and landings and shall be empowered to construct or acquire and equip wharves and landings and other structures useful for the commerce of the port area and to provide mechanical facilities therefor; to erect sheds or other structures on such wharves and landings; to maintain proper depths of water at all such wharves and landings; to provide light, water, police protection, and other services for its facilities as it may deem advisable; to construct or acquire, maintain and operate basins, locks, canals, warehouses and elevators; to charge for the use of all facilities administered by it and for all services rendered by it, such fees, rates, tariffs, or other charges as it may establish; to establish harbor lines within the port area by agreement with the Corps of Engineers; and to construct, own, operate, and maintain terminal rail
facilities and other common carrier rail facilities
for the purpose of rendering rail transportation to
and from the facilities to be erected, owned and
operated by the commission in both intrastate and
interstate commerce. The commission shall have authority
to acquire by right of eminent domain, conventional
purchase, lease, or otherwise such land and other
immovable property as may be necessary to enable the
commission to carry out its powers and purposes; such
powers and purposes, without in any way limiting any
other powers of the commission, but supplementary
thereto, shall include the right to acquire industrial
plant sites and to construct industrial plants and
buildings with necessary manufacturing and processing
machinery and equipment, and to lease such sites, plants,
buildings, machinery, and equipment for use and operation
by private enterprise to provide additional sources
of revenue to the commission. The legislature may confer
additional powers upon the commission, not inconsistent
with the provisions hereof, provided, however, that it
shall not impair any contract lawfully entered into by
the commission. Title to all property and improvements
therein operated by the commission shall vest in the
State of Louisiana.

Section__. Membership

Section__. The Greater Baton Rouge Port
Commission shall be composed of ten members, who
shall serve without compensation, appointed as follows:
(A) Two commissioners appointed by the governor,
one each from two separate panels of three names
submitted by the police jury of the parish of West
Baton Rouge;
(B) One commissioner appointed by the governor
from a panel of three names submitted by the mayor and
aldermen of the town of Port Allen;
(C) Two commissioners appointed by the governor,
one each from two separate panels of three names
submitted by the city council of the city of Baton Rouge;
(D) Two commissioners appointed by the governor,
one each from two separate panels of three names
submitted by the parish council of the parish of East Baton Rouge;
(E) One commissioner appointed by the governor
from a panel of three names submitted by the police
jury of the parish of Iberville;
(F) One commissioner appointed by the governor
from a panel of three names submitted by the police
jury of the parish of Ascension; and
(G) One commissioner appointed by the
governor of the State of Louisiana.

Section__. Terms of Members
Section__. The present members of the commission, ten in number, shall continue to serve on said commission
for the duration of their respective terms, at the expiration
of which their successors shall be appointed for a
period of six years each by the governor in the same
manner in which their predecessors were appointed.

Section__. Vacancies; Qualifications
Section__. In the event any persons so appointed
shall cease to be a member of the commission for any
reason his successor shall be appointed by the governor
in the same manner in which his predecessor was appointed,
for the unexpired term of office. Each commissioner
shall be a citizen of the United States and a qualified
citizen and taxpayer of the State of Louisiana.

Section__. Officers; Meetings, Quorum; Action by
Vote
Section__. The commission shall elect from
among its own members a president, a vice president,
a secretary, and a treasurer, whose respective duties
shall be prescribed by the commission. At the option
of the commission the office of the secretary and
treasurer may be held by one person. The commission
shall meet in regular session once each month, and
shall also meet in special session at the call of
the president of the commission, or on the written
request of three members of the commission. A
majority of the members of the commission shall consti-
tute a quorum and all action or resolutions of the
commission must be approved by the affirmative vote
of not less than a majority of all members of the
commission. The commission shall prescribe rules to
govern its meetings and shall fix the place at which
meetings shall be held.

Section__. Indebtedness
Section__. The commission, with the approval
of the Board of Liquidation of the State Debt, is
authorized to incur debt for its lawful purposes and
to issue in its name, negotiable bonds or notes therefor,
and to pledge, for the payment of the principal and
interest of such negotiable bonds or notes, the revenues
derived from the operation of properties and facilities
maintained and operated by it, or received by the
commission from other sources; provided, however, that
the amount of such bonds and notes outstanding at any one
time shall not exceed fifty million dollars. Such bonds,
when authorized to be issued, shall constitute:
first, a general obligation of the commission; and 
secondly, the full faith and credit of the parish 
of East Baton Rouge, the parish of West Baton Rouge, 
the parish of Iberville, the parish of Ascension; 
and thirdly, the State of Louisiana shall be and 
is hereby pledged. In addition to the pledge of 
revenues to secure said bonds and notes the commission 
may further secure their payment by a conventional 
mortgage upon any or all of the properties constructed 
or acquired, or to be constructed and acquired by it. 
The commission is further authorized to receive, by 
gift, grant, donation, or otherwise any sum of money, 
aid, or assistance from the United States, the State 
of Louisiana, or any political subdivision thereof, and 
unless otherwise provided by the terms of such gift, 
grant, or donation, in its discretion, to pledge all or 
any part of such moneys for the further securing of 
the payment of the principal and interest of its bonds 
or notes.

Section __. Ad Valorem Tax

Section __. There shall never be levied for 
and in the port area any ad valorem tax upon and limited 
solely to the property in the port area.


Comment: The authority of the commission is increased to 
permit them to acquire land and other immovable property 
by right of eminent domain, etc. and to acquire industrial 
plant sites and construct industrial plants, and 
to lease them to private enterprise. Sections dealing 
with travel allowance, fees, leases and contracts, 
testing validity of bonds or notes, and sale of bonds 
are transferred to statutes.

A PROPOSAL

Louisiana Deepwater Ports; Established Deepwater Ports; 
Powers and Authorities; Organization.

PROPOSED SECTIONS:

Article __. Section __. Louisiana Deepwater Ports; 
creation; powers and authorities; improvements by 
riparian owners within limits of deepwater ports.

Section __. The Legislature of the State of 
Louisiana is empowered to create Louisiana Deepwater 
Ports, situated on navigable waterways having a depth 
of not less than twenty-five feet and serving inter-
depth, deepwater international waterborne transportation; 
and local, intrastate commerce, to fix their territorial limits; to

provide for their organization and government; to define 
the duties, powers and jurisdiction of their governing 
authorities; and to delegate to them such general and 
special powers as are conferred by this Constitution on 
Louisiana Deepwater Ports; provided that in so creating 
such deepwater port authorities, the Legislature shall 
not encroach upon or in any way restrict or diminish the 
respective territorial limits, or powers and authorities, 
of the three established deepwater ports, as set forth 
in this Constitution.

Section __. General Powers and Authorities. The governing 
authorities of deepwater ports shall have the authority to 
do all things necessary to promote and regulate the commerce 
ports as in their judgment shall be best to 
and traffic of said ports and shall have the full power to 
provide and administer all facilities which are necessary 
to the above purposes, including but not limited to, the 
building, maintenance, and operation of public wharves, 
terminal rail facilities and other facilities which are 
port connected. Said port authorities shall have full 
power to acquire by purchase, exchange, lease, expropriation 
or otherwise, any property deemed necessary by said 
authorities for the commerce or other public purposes of 
said ports, and title to all such properties, movable and 
immoveble, presently held or to be acquired by said 
authorities, shall be vested in the State of Louisiana. 
Said authorities shall have full powers to lease, sell, 
exchange, or otherwise dispose of any such properties, 
including, without limitation, any wharves, buildings, 
improvements, structures, or facilities of any nature whatso-
ever.

Section __. Managerial Powers.

Said governing authorities of deepwater ports shall 
have the sole power of organization and of control of all 
their departments, without exception, subject, however, to 
Civil Service requirements as established by state law.

These powers shall include, but not be restricted to the 
accounting methods, business procedures, fiscal affairs 
and revenues of said authorities, and each of said 
authorities shall be the sole judge of the investments 
of its funds. These powers shall not require any further 
 enabling legislation.

Section __. Borrowing Powers.

(A) General Obligation Notes and Bonds.

The governing authorities of the Louisiana Deep-
water Ports shall have the power, without legislative 
 enactments or authorization, to borrow money and to 
 issue notes and bonds for any of their purposes and 
powers. Such borrowing shall be made and such notes 
and bonds shall be issued with the concurrence of and 
in accordance with procedures established by the 
State Bond Commission, except as hereinafter provided 
in subsection (B). The State Bond Commission shall, 
immediately following the approval of this Constitution, 
notify the said governing authorities of its procedures.

All notes and bonds of said governing authorities 
issued pursuant to the foregoing authorities shall 
constitute and be general obligations of the State, 

to the payment of which the full faith and credit of the State shall be pledged by said governing authorities. All such bonds and notes, together with all bonds of said governing authorities outstanding at the time of adoption hereof, shall be payable from the Bond Security and Redemption Fund equally and ratably and on a parity with all general obligation bonds of the State issued under Article IV, Section 2 of the Constitution of 1921.

In establishing its procedures for the issuance of notes and bonds of said governing authorities, the State Bond Commission shall provide a method by which said governing authorities shall reimburse the Bond Security and Redemption Fund the amount of principal and interest paid on any such notes and bonds, as said principal and interest become due and payable.

Nothing in this Section shall be a limitation on the power of the Legislature to authorize the issuance of bonds by the State for the purposes of said governing authorities, upon such terms and conditions as it deems proper.

(b) Limited Revenue Obligations.

Said governing authorities may borrow such sums as shall be necessary to construct or improve any port facility, provided that the loan therefor shall be secured by and liquidated only from a percentage to be agreed upon of the revenues collected for the use of such facility.

Said governing authorities may issue bonds in such principal amount as may be necessary, for the purpose of constructing, acquiring or renovating any facility which is in the power of said governing authorities to provide. This authority shall depend upon said governing authorities having entered into a lease or other agreement, by which under its terms and conditions, the bonds issued will be retired.

Such obligations and/or bonds or notes shall not be supported by the full faith and credit of the State, but shall be payable solely from the revenues of the said facility.

Said governing authorities may acquire movable and immovable property subject to mortgage or other liens and may agree to the retention of vendor's lien and privilege on the property acquired, provided that the obligors shall be limited solely to the proceeds derived from enforcement of the vendor's lien and privilege and not from the general revenues or other property of said governing authorities.

(c) Tax Exemption.

The principal of and interest on said obligations created by said governing authorities shall be exempt from all State, parish, municipal or other taxation, except inheritance, transfer or gift taxes. General obligation bonds of said governing authorities shall have the same eligibility for deposit with the State or its officers or any of its political subdivisions or municipalities, as was granted by Article 321 of the Constitution of 1912 to the bonds therein authorized.

Section ____ - Improvements by Riparian Owners Within Limits of Deepwater Ports: Expropriations; Just Compensation

Riparian owners of property on navigable rivers or streams within the limits of the deepwater ports hereinabove defined shall have the right to erect and maintain on the banks or banks owned by them, such wharves, buildings, or improvements, as may be required for the purposes of commerce, navigation, or other public purposes; provided, however, that where such owners have first obtained the consent of the governing authority of such deepwater port to erect such wharves, buildings, or

improvements, and same are erected in conformity to plans and specifications that have been approved by such governing authority, such owners shall be entitled to claim just compensation for, and the said governing authority may expropriate, said wharves, buildings, or improvements whenever said improvements or the riparian front shall be required for public purposes, but where such consent and approval is not obtained no compensation shall be allowed.

In all cases such wharves, buildings, or improvements shall remain subject to the administration and control of such governing authority with respect to their maintenance and to the fees and charges to be exacted for their use by the public. Nothing herein shall deprive the levee boards of their authority with respect to levees in their respective districts or their right to appropriate, without compensation, such wharves, buildings or improvements.

Section ____ - Additional Powers. In addition to all other powers conferred upon said deepwater port authorities by this Constitution, the Legislature may confer additional powers upon said authorities, including but not limited to the power to levy and collect taxes.

Article ____ - Section ____ Established Deepwater Ports; purpose; territorial limits; organization; special powers.

Section ____. The three presently established deepwater ports of this State, namely, the Board of Commissioners of the Port of New Orleans (an agency of the State), the Greater Baton Rouge Port Commission (an executive department of the State), and the Lake Charles Harbor and Terminal District (a political subdivision of the State), shall have all general and special powers herein conferred on deepwater ports.

Section ____ - Territorial limits.

(a) Board of Commissioners of the Port of New Orleans. The Board of Commissioners of the Port of New Orleans shall exercise all its powers and authorities within the territorial limits of the port area, consisting of the Parish of Orleans and those portions of the Parishes of Jefferson and St. Bernard fronting on the Mississippi River or concerned with deep draft-international waterborne transportation.

(b) Greater Baton Rouge Port Commission. The Greater Baton Rouge Port Commission shall exercise all its powers and
authorities within the territorial limits of the port area, consisting of the Parishes of East Baton Rouge, West Baton Rouge, Iberville and Ascension, except the industrial area created in the Parish of East Baton Rouge by the provisions of Section 1.06(b) of the Plan of Government for the Parish of East Baton Rouge and the City of Baton Rouge.

(C) Lake Charles Harbor and Terminal District. The Lake Charles Harbor and Terminal District shall exercise all its powers and authorities within the territorial limits of the port area, hereinafter in the Parish of Calcasieu.

Section 1. Organization.

(a) Board of Commissioners of the Port of New Orleans: Number of Members; Qualifications; Appointment; Term of Office; Removal. The Board of Commissioners of the Port of New Orleans shall consist of five members who shall serve for a five-year term, without compensation, who shall be experienced in commerce and industry, or both. Members shall be residents and qualified voters of the parish from which they are appointed. The categories of representation from the three parishes of Jefferson, Orleans, and St. Bernard, as set forth, shall hereafter be maintained at all times. The present members shall continue to serve on said board for the duration of their respective terms, and any vacancies in the membership of the board hereafter occurring by reason of expiration of the terms for which appointed shall be filled by the governor without the advice and consent or confirmation of the senate in the manner hereinafter provided. If any vacancy occurs by reason other than the expiration of the term for which appointed, such vacancy shall be filled for the duration of such unexpired term by appointment of the governor in the same manner as the vacating member was chosen. No member shall be eligible to succeed himself unless his term of office was for less than two years. Additionally, no member shall hold any office in any public position for compensation or an office in a political party or organization. Each member may be removed or suspended from office as provided by law. Members shall continue to serve until their successors have been appointed and duly qualified.

Vacancies arising by expiration of term of office shall be filled in the order and manner hereinafter set forth:

(1) One member from the parish of Jefferson shall be appointed by the governor within fifteen days after receipt by him of three nominees submitted to him by the Jefferson Parish Industrial Development Commission. Said three nominees shall be selected by said commission from a panel of six qualified nominees, comprising three nominees selected by the West Bank Council of the Chamber of Commerce of the New Orleans Area and three nominees selected by the East Jefferson Council of the Chamber of Commerce of the New Orleans Area.

(2) One member from the parish of St. Bernard shall be appointed by the governor within fifteen days after receipt by him of three qualified nominees submitted to him by the St. Bernard Council of the Chamber of Commerce of the New Orleans Area.

(3) One member from the parish of Orleans shall be appointed by the governor within fifteen days after receipt by him of three nominees submitted to him by a nominating council, comprised of the presidents or recognized heads of the nominating organizations hereinafter named. Said nominating council shall select three nominees from a panel of names submitted to it by the following nominating organizations, which shall each select two qualified nominees:

(a) Chamber of Commerce of the New Orleans Area
(b) New Orleans Board of Trade, Ltd.
(c) New Orleans Steamship Association
(d) International House

(4) Two members from any of the parishes of Jefferson, Orleans, or St. Bernard, provided there shall never be more than two commissioners selected from any one of the three parishes, shall be appointed by the governor within fifteen days after receipt by him of three nominees submitted to him by a nominating council, comprised of the presidents or recognized executive heads of the nominating organizations hereinafter named. Said nominating council shall select three nominees from a panel of names submitted to it by the following nominating organizations, which shall each select two qualified nominees:

(a) Chamber of Commerce of the New Orleans Area
(b) New Orleans Board of Trade, Ltd.
(c) St. Bernard Council of the Chamber of Commerce of the New Orleans Area
(d) West Bank Council of the Chamber of Commerce of the New Orleans Area
(e) East Jefferson Council of the Chamber of Commerce of the New Orleans Area
(f) Jefferson Parish Industrial Development Commission
(g) New Orleans Steamship Association
(h) International House

(3) If any one or more of the nominating organizations referred to above shall cease to exist or to function, without any legal successor, then the nominees shall nevertheless be submitted by such of said organizations as shall continue to exist and function.

The Greater Baton Rouge Port Commission shall consist of ten members who shall serve for a six-year term, without compensation, and who shall be experienced in commerce or industry, or both. Members shall be residents and qualified voters of the State of Louisiana. The categories of representation hereinafter set forth shall hereafter be maintained at all times. The present members shall continue to serve on said
commission for the duration of their respective terms, and any vacancies in the membership of the commission hereafter occurring by reason of expiration of the terms for which appointed shall be filled by the governor without the advice and consent or confirmation of the senate in the manner hereinafter provided. If any vacancy occurs by reason other than the expiration of the term for which appointed, such vacancy shall be filled for the duration of such unexpired term by appointment of the governor in the same manner as the vacating member was appointed. Each member may be removed or suspended from office as provided by law.

Members shall continue to serve until their successors have been appointed and duly qualified.

Vacancies arising by expiration of term of office shall be filled by appointment of the governor, within fifteen days after receipt by him of the nominees in the manner hereinafter set forth:

(1) Two commissioners appointed, one each from two separate panels of three names submitted by the police jury of the parish of West Baton Rouge;
(2) One commissioner appointed from a panel of three names submitted by the mayor and aldermen of the town of Port Allen;
(3) Two commissioners appointed, one each from two separate panels of three names submitted by the city council of the city of Baton Rouge;
(4) Two commissioners appointed, one each from two separate panels of three names submitted by the parish council of the parish of East Baton Rouge;
(5) One commissioner appointed from a panel of three names submitted by the police jury of the parish of Iberville;
(6) One commissioner appointed from a panel of three names submitted by the police jury of the parish of Ascension; and
(7) One commissioner appointed directly by the governor of the State of Louisiana.

Officers; Meetings; Quorum; Action by.

The commission shall elect from among its own members a president, a vice president, a secretary, and a treasurer, whose respective duties shall be prescribed by the commission. At the option of the commission the office of the secretary and treasurer may be held by one person. The commission shall meet in regular session once each month, and shall also meet in special session at the call of the president of the commission, or on the written request of three members of the commission. A majority of the members of the commission shall constitute a quorum and all action or resolutions of the commission must be approved by the affirmative vote of not less than a majority of all members of the commission. The commission shall prescribe rules to govern its meetings and shall fix the place at which meetings shall be held.

District; Number of Members; Qualifications; Appointment.

The Lake Charles Harbor and Terminal District shall consist of five members who shall serve for a six-year term, without compensation, and who shall be experienced in commerce or industry, or both. Members shall be residents and qualified voters of St. Charles, St. James, and St. Martin parishes. The categories of representation hereinafter set forth shall hereafter be maintained at all times. The present members shall continue to serve on said board for the duration of their respective terms, and any vacancies in the membership of the board hereafter occurring by reason of expiration of the terms for which appointed shall be filled by the governor without the advice and consent or confirmation of the senate in the manner hereinafter provided. If any vacancy occurs by reason other than the expiration of the term for which appointed, such vacancy shall be filled for the duration of such unexpired term by appointment of the governor in the same manner as the vacating member was appointed. Each member may be removed or suspended from office as provided by law. Members shall continue to serve until their successors have been appointed and duly qualified.

Vacancies arising by expiration of term of office shall be filled by appointment of the governor within fifteen days after receipt by him of the nominees, in the manner hereinafter set forth:

(1) The first vacancy shall be filled from a list of three nominees submitted to the governor by the American Rice Growers Cooperative Association at Lake Charles, Louisiana.
(2) The next vacancy shall be filled from a list of three nominees submitted to the governor by the Lake Charles and Vicinity Central Trades and Labor Council, AFL-CIO, as one organization.
(3) The next vacancy shall be filled from a list of three nominees submitted to the governor by the Lake Charles Maritime Association.
(4) The next vacancy shall be filled from a list of three nominees submitted to the governor by the Greater Lake Charles Chamber of Commerce, and the West Calcasieu Chamber of Commerce acting as one organization.
(5) The next vacancy shall be filled from a list of three nominees submitted to the governor by the state senators and representatives in the Legislature representing the parish of Calcasieu.
(6) Any further vacancies shall be filled in the same order of rotation as shown hereinabove.
(7) If new, or hereafter, one or more of the five organizations or groups set forth above has no commissioner on the board, the governor, the board, and the five organizations shall proceed to rectify this failure of representation of one or more groups by diverting, in case of a vacancy, from the order of appointments named hereinabove and by receiving nominations instead from the unrepresented organizations or groups, and then
thereafter, shall revert to the order of nominations and appointments, as set forth in Subparagraphs (A) through (E) above.

(8) If any one or more of the organizations referred to in Subsection B. hereof ceases to exist or to function without any legal successor, then the nominees to be submitted to the governor by such organization shall instead be submitted by the state senators and representatives representing the parish of Calcasieu.

(9) In the event that for any reason the governor fails to receive three nominees for a given vacancy, as provided hereinabove, within sixty days after the expiration of the term of any member of the board or the occurrence of a vacancy on the board from any other cause, the governor shall proceed forthwith to make an appointment to fill such vacancy. The organization failing to submit such nominees shall lose its turn in the rotation.

Section Special Powers of Established Deepwater Ports. (A) Lake Charles Harbor and Terminal District: Ad Valorem Taxation. Lake Charles Harbor and Terminal District shall have the power to levy annually an ad valorem tax not to exceed $0.002 on the dollar on the property subject to taxation situated within its territorial limits; all funds derived under this taxing authority shall be used to defray the administration, operation and maintenance expenses of the said authority.

(B) Lake Charles Harbor and Terminal District; Greater Baton Rouge Port Commission: Acquisition of Industrial development sites; construction of industrial plants; leasing. Without in any way limiting any other powers of said authorities, the Lake Charles Harbor and Terminal District and the Greater Baton Rouge Port Commission shall be empowered and have the right to acquire industrial development sites and to construct industrial plants and buildings with necessary manufacturing and processing machinery and equipment, and to lease such sites, plants, buildings, machinery, and equipment for use and operation by private enterprise to provide additional sources of revenue to said authorities and to encourage industrial development within their respective areas.
D. Affairs of the City of New Orleans

Provision Adopted by the Subcommittee of the Affairs of the City of New Orleans, to be considered by the Full Committee (June 28, 29, 30, 1973)

1 Constitutional Convention of Louisiana of 1973

2 SUBCOMMITTEE PROPOSAL NUMBER

3 Introduced by Delegates Jackson, Giarrusso, Taylor, and Zervigon

4 A PROPOSAL

5 To establish a Vieux Carre Commission.

7 PROPOSED SECTION:

8 Article___, Section___. Vieux Carre Commission

9 Section ____. In order to promote the
10 educational, cultural, economic and general
11 welfare of the public through the preservation
12 and protection of buildings, sites, monuments,
13 structures and areas of historic or architectural
14 interest or importance through their protection,
15 maintenance and development as historic landmarks,
16 each local governmental subdivision of the state,
17 acting through a commission or otherwise, shall
18 have the power and authority to establish, operate
19 and maintain historic preservation districts by
20 the adoption of appropriate ordinances and laws,
21 which is hereby declared to be a public purpose.
22 The City of New Orleans may exercise such power
23 and authority through such commissions as it may
24 create and/or through a Vieux Carre Commission
25 whose composition, power, authority and duties
26 shall be as are now or as may hereafter be ordained
27 by the governing authority of the City of New Orleans
28 in the area bounded by the center of Iberville Street,
29 the center of North Rampart Street, the center of
30 Esplanade Avenue and the mean water line of the east
31 bank of the Mississippi River. The governing
32 authority of each local governmental subdivision shall
33 have the power and authority of review to affirm,
34 reverse or modify, in whole or in part, any action
35 or decision of such commissions.

1 Source: L. Const. Art. XIV, §22A (1921).

2 Recommendation: The subcommittee recommends that
3 general language empowering local governmental
4 subdivisions to establish historic preservation
5 districts, and to exercise their power and
6 authority within such districts through citizen
7 commissions be inserted into the constitution.
8 The subcommittee further recommends that the
9 Vieux Carre Commission be ratified and confirmed
10 as one such historic preservation district
11 commission.

14 Comment: This recommendation reflects the subcommittee's
15 view that the powers to be exercised by a local
16 governing authority through an historic preservation
17 district commission are not the ordinary police
18 powers of local government, nor are they ordinary
19 zoning powers. In the area of the Vieux Carre at
20 present, for example, these powers include the right
21 to review and reject all exterior architectural changes
22 including overall design, types of materials and
23 colors of paint. In addition the Vieux Carre Commission
24 has the right to prohibit demolition of property and
25 to purchase and dispose of property. The recommenda-
26 tion also reflects the subcommittee's view that
27 the powers of any such historic preservation district
28 should be granted to the local governing authority,
29 rather than directly to any such commission; and that
30 the governing authority, which is elected by the
31 people, should retain the power to review all actions
32 and decisions of such commissions.
E. Local Government Finance

DRAFT PROVISIONS TO BE CONSIDERED
BY SUBCOMMITTEE ON FINANCE
(June 14, 15, 1973)

1. Constitutional Convention of Louisiana of 1973
2. Subcommittee Proposal Number
3. Introduced by Delegates Toomy, Burson, Chatelain, Kea,
Lanier, Perez, and Zervigon
4. A Proposal
5. Relative to local government finances.
6. Proposed Sections:
7. Article ______, Section 1. Parish Tax Limits; Increase:
8. Withdrawal of Municipality from Parish Taxing Authority
9. Section 1. (A) The governing authority of each parish
may levy an ad valorem tax for general operating purposes,
in an amount not to exceed in any one year, four mills on
the dollar of assessed valuation; however, in Orleans
Parish the limitation shall be seven mills and in Jackson
Parish the limitation shall be five mills. These millage
rates may be increased in any parish when approved by a
majority of the electors of the parish voting in an election
held for that purpose.

(B) The amount of the parish tax for general operating
purposes which any parish, except the parish of Orleans,
may levy on property located wholly within any incorporat-
cated city or town, which has a population in excess of one
thousand inhabitants according to the last census and which
provides and maintains a system of street paving, shall not
exceed one-half the tax levy for general operating purposes.

(C) If the legislative charter of any municipality,
except the city of Monroe, has withdrawn the municipality
wholly or partially from the taxing jurisdiction of the
parish governing authority, no provision of this constitu-
tion shall be construed to affect or repeal such partial
or total withdrawal.


Comment: (a) Retains the source provision general limitation
of seven mills on municipal property taxes, except munici-
palities exempt from parochial taxes or those maintaining
their own schools are limited to 10 mills. Deletes the
provision allowing municipalities with a population of
75,000 or more to levy a special tax, not exceeding one
mill to provide for three-platoon police systems. Deletes
the authority of municipalities of from 15,000 to 30,000
3. January 1, 1921, until said debt had been paid or funded
in bonds.
4. Paragraph (C) restates source provision (Article XIV,
Section 7) without substantive change. There are 27 munic-
ipalities presently operating under legislative charters.
A review of these charters indicates almost one-half have
withdrawn from the taxing jurisdiction of the parish.

Section 2. Municipal Tax Limits; Increase

Section 2. The governing authority of each municipality
may levy an ad valorem tax for general operating purposes,
in an amount not to exceed in any one year, seven mills on
the dollar of assessed valuation; provided that where any
municipality is, by its charter or by law, exempt from pay-
ment of parish taxes or, under legislative authority, main-
tains its own public schools, it may levy an annual tax not
to exceed ten mills of the dollar of assessed valuation.
These millage rates may be increased in any municipality
when approved by a majority of the electors of the munici-
pality voting in an election held for that purpose. This
Section shall not apply to the city of New Orleans.


Comment: (b) The revision authorizes an increase in the gener-
al sales tax subject to voter approval.

Section 3. Special Taxes; Ratified

Section 3. Any special tax being levied by any politi-
cal subdivision by the prior laws or under authority of
the constitution of this state when this constitution is
adopted is hereby confirmed and ratified.


Comment: Numerous special taxes are authorized under the pres-
ent constitution. This provision continues these special
taxes.

Section 4. Bond of Political Subdivisions; General
Obligations
Section 4. The full faith and credit of every political
subdivision are hereby pledged to the payment of principal
of and interest on all bonds issued by it that are payable
from taxes levied without limitations as to rate or amount
under the terms of the statute or proceedings pursuant to
which they are issued. The governing authority of the
issuing political subdivision shall levy and collect or
cause to be levied and collected on all taxable property in
the political subdivision ad valorem taxes fully sufficient
to pay principal and interest on such bonds as they mature.

Source: La. Const. Art. XIV, §14, (a), (b.2), (c.1), (d.1), (d.2),
(d.4), and (m) (1921).

Comment: (a) In some cases, the source provision sets forth
requirements for named political subdivisions to insure
that sufficient sums will be collected to pay their bonded
indebtedness. In other instances, no such requirements
are enumerated.

(b) This Section sets forth uniform requirements
upon political subdivisions to insure repayment of their
bonds.

Section 5. Taxpayer Authorization of Ad Valorem Tax
Bonds of Political Subdivisions
Section 5. Bonds payable from ad valorem taxes levied
without limitation as to rate or amount may be issued only
after authorization by a vote of a majority in number of
the electors in the political subdivision issuing such
bonds, voting on the proposition. Funding and refunding
bonds, even though payable solely from ad valorem taxes,
need not be so authorized at an election if the indebted-
ness funded or refunded is paid or cancelled at the time
of the delivery of the funding or refunding bonds, or if
money, or securities made eligible for such purpose by
law, are deposited in escrow in an adequate amount, with
interest, to be utilized solely for the purpose of re-
tiring the funded or refunded indebtedness or bonds and
paying interest thereon and redemption premiums, if any,
to the time of retirement.

Source: La. Const. Art. XIV, §14. (a), (b.2), (c.3), (f), (g),
(k) (1921).

Comment: (a) The source provision contains authority for
certain enumerated political subdivisions to incur debt

and issue bonds, with the requirement that such bonds may
be issued only after authorization by a vote of the ma-
Jority in number and amount of the property taxpayers
qualified to vote voting on the proposition at an election
held therefor. The above Section extends this requirement
to all bonds issued by political subdivisions payable from
ad valorem taxes without limitation as to rate or amount
and eliminates the property taxpayer requirement for
voting in bond elections.

(b) The source provision authorizes certain speci-
fied political subdivisions to issue funding and refunding
bonds. The above Section extends such authority to all
political subdivisions and specifically provides that no
election is needed to issue such bonds, if, at the time of
delivery of the bonds the indebtedness funded or refund-
d is paid or cancelled or sufficient money or security is
deposited in escrow.

Section 6. Limitations on Bonded Indebtedness of Political
Subdivisions
Section 6. (A) Bonds which are payable wholly or in
part from ad valorem taxes levied without limitations as
to rate or amount may be issued by any political subdivi-

for any one purpose which, including the existing
bonds of such political subdivision incurred for the same
purpose and payable solely from ad valorem taxes levied
without limitation as to rate or amount, shall not exceed
in the aggregate ten percent of the assessed valuation of
taxable property in the political subdivision, to be
ascertained by the assessment for state and parish pur-
oposes last completed prior to the delivery of such bonds,
except that as to both parishwide school districts and
other school districts, the limitation applicable to each
district shall be twenty-five percent of the assessed
valuation of the taxable property.

(B) Any municipality that finances and operates its
own schools and is not located within a parishwide or
other school district shall be regarded as and treated on
the same basis for the purpose of debt limitation and
shall have the same authority for all purposes of this
Section as though it were such a school district.

(C) The legislature may increase the debt limitations
established in this Section by general or special law
passed by a two-thirds vote of the elected membership of
each house.

(D) Bonds of drainage districts payable from acreage
taxes and refunding bonds shall not be considered to be
bonds payable solely from ad valorem taxes for all purposes of this Section.


Comment: (a) The source provision provides that the political subdivisions enumerated therein shall not incur debt and issue bonds which, including the existing bonded debt for such subdivision for such purpose, shall exceed in the aggregate 10 percent of the assessed valuation of the taxable property of such subdivision. The limitation is continued in this revised Section, but it is made applicable to all political subdivisions.

(b) The source provision provides that the municipality of Monroe shall be treated as the parish-wide school district or special school district. This revised Section extends this treatment to any municipality that finances and operates its own schools, without specifically mentioning the municipality of Monroe.

c) The source provision increases the limitation for parishwide school districts and special school districts to 25 percent for specifically enumerated purposes. This revised Section increases the limitation for such school districts for all purposes.

d) This revised Section retains the exception from the above limits of bonds issued and secured by acreage taxes, and refunding bonds.

Section 7. Limited Time for Contesting Bonds of Political Subdivisions

Section 7. (A) For a period of sixty days from the promulgation of the result of any election held for the purpose of incurring or assuming debt, issuing bonds, or levying a special tax, any person in interest shall have the right to contest the legality of such election, the bond issue provided for, or the tax authorized, for any cause; after which time no one shall have any cause or right of action to contest the regularity, formality, or legality of said election, tax provisions, or bond authorization, for any cause whatsoever. If the validity of any election, special tax, or bond issue authorized or provided for, held under the provisions of this Section, is not raised within the sixty days herein prescribed, the authority to issue the bonds, the legality thereof, and the taxes necessary to pay the same shall be conclusively presumed to be valid, and no court shall have authority to inquire into such matters.

(B) Every ordinance or resolution authorizing the issuance of bonds by a political subdivision shall be published once in a newspaper published in the political subdivision, or if there is none, then in a newspaper having general circulation therein. For a period of thirty days from the date of the publication any person in interest may contest the legality of the ordinance or resolution, the bonds authorized thereby, and of any provision therein made for the security and payment of the bonds. After this time, no one shall have any cause of action to test the regularity, formality, legality, or effectiveness of the ordinance or resolution, bonds, and provisions for any cause whatever; and after this time it shall be conclusively presumed that every legal requirement for the issuance of the bonds, including all things pertaining to the election, if any, at which the bonds were authorized, has been complied with, and no court shall have authority to inquire into any such matters after the lapse of this thirty days.

Source: La. Const. Art. XIV, §14, t(a),(b.2),(g),(l),(m), (n), (1921).

Comment: (a) The first Paragraph of this Section makes no change in the law.

(b) The source provision sets forth requirements similar to those in the second Paragraph of the revision section for specified types of bond issues. This revised Section extends the requirements to all types of bond issues.

Section 8. Local Improvement Assessments

Section 8. (A) The legislature shall provide by special or general law the procedures by which political subdivisions may levy and collect local or special assessments on real property, for the purpose of constructing or improving works of public improvement.

(B) Certificates of indebtedness may be issued to cover the cost of the public improvement which shall be secured by the pledge of the local or special assessments levied therefor, and may be further secured by the pledge of the full faith and credit of the political subdivision to the payment of the certificates of indebtedness.

(C) The governing authority of the political subdivision that has issued certificates of indebtedness payable from sources other than ad valorem taxes, and has pledged its full faith and credit for the prompt payment of the principal and interest thereof, shall levy or cause to be levied on all taxable property in the political subdivi-
tion ad valorem taxes, without limitation as to rate or amount, fully sufficient to make up any deficit in the other sources of revenue pledged to the payment of the certificates in principal and interest.

Source: La. Const. Art. X, §13; Art. XIV, §14, (a), (b.1), (c.2), (d.1), (d.2), (d.4), (e), (f.1), (j.1), (k-1-b), (o) (1921).

Comment: (a) Paragraphs (A) and (B) above are a restatement of present Const. Art. X, §13, and make no change in the law.

The provisions of this Section are adopted from the present Article X and placed in the revised Article ______ because this type of indebtedness is an integral part of local improvement financing.

(b) Paragraph (C) above sets forth uniform requirements upon political subdivisions to insure repayment of certificates of indebtedness. In some instances, the source provision, Const. Art. XIV, §14, sets forth requirements for named political subdivisions to insure that sufficient sums will be collected to pay indebtedness; in other substances, no such requirements are enumerated.

Section 9. Revenue Producing Property

The legislature may authorize political corporations to issue bonds for the purpose of constructing, acquiring, extending, or improving any revenue-producing public utility. The bonds may be secured by mortgage on the lands, buildings, machinery, and equipment or by the pledge of the income and revenues of such public utility; and shall not be a charge upon the other income and revenues of the political corporation.

Source: La. Const. Art. XIV, §14, (b.1), (b.2), (c), (d.1), (d.2), (d.4), (e), (f), (f.1), (m) (1921).

Comment: This Section is a restatement of the source provision.

FINANCE PROVISIONS REPORTED TO COMMITTEE ON LOCAL AND PAROCHIAL GOVERNMENT FROM FINANCE SUBCOMMITTEE
(June 28, 1973)

1 Constitutional Convention of Louisiana of 1973
2 SUBCOMMITTEE PROPOSAL NUMBER
3 Introduced by Joseph Toomy, Chairman, on behalf of Finance
4 Subcommittee of Local and Parochial Government Committee
5 A PROPOSAL
6 Relative to local and parochial government finance.
7 PROPOSED SECTIONS:
8 Article____, Section 1. Political Subdivisions; Taxing

Power; Limitations

Section 1. Political subdivisions may exercise the power of taxation, subject to such limitations as may be elsewhere provided in this constitution, under authority granted to them by the legislature for parish, municipal, and local purposes, strictly public in their nature. The provisions of this section shall not apply to, nor affect, similar grants to such political subdivisions under other sections of this constitution which are self-operative.


Comment: Restates source without substantive change.

Section 2. Parish Tax Limits; Increase; Withdrawal of Municipality from Parish Taxing Authority

Section 1. (A) The governing authority of each parish may levy an ad valorem tax for general operating purposes, in an amount not to exceed in any one year, four mills on the dollar of assessed valuation; however, in Orleans Parish the limitation shall be seven mills and in Jackson Parish the limitation shall be five mills. Milage rates may be increased in any parish when approved by a majority of the electors who vote in favor thereof in an election held for that purpose.

(B) Where the milage increase is for other than general operating purposes, the proposition shall state the specific purpose or purposes for which the tax is to be levied, the length of time the tax is to remain in effect, and all proceeds of the tax shall be dedicated to the purpose or purposes set for in the proposition.

(C) The amount of the parish tax for general operating purposes which any parish, except the parish of Orleans, may levy on property located wholly within any incorporated city or town, which has a population in excess of one thousand inhabitants according to the last census and which provides and maintains a system of street paving, shall not exceed one-half the tax levy for general operating purposes.

(D) This Section shall not be construed to repeal or affect the withdrawal of property in a municipality from parochial taxing jurisdiction, in whole or in part, by a provision of the legislative charter of the municipality in effect on the date of adoption of this constitution.


Comment: (a) Limitations on parish tax in source (Art. XIV, §11) is retained in Paragraph (A). The revision changes the source provisions in that the general operating tax may be increased subject to voter approval. Deleted
Section 3. Municipal Tax Limits: Increase

Section 1. (A) The governing authority of each municipality may levy an ad valorem tax for general operating purposes, in an amount not to exceed in any one year, seven mills on the dollar of assessed valuation; provided that where any municipality is, by its charter or by law, exempt from payment of parish taxes or, under legislative authority, maintains its own public schools, it may levy an annual tax not to exceed ten mills of the dollar of assessed valuation. Millage rates may be increased in any municipality when approved by a majority of the electors who vote in favor thereof in an election held for that purpose.

(B) Where the millage increase is for other than general operating purposes, the proposition shall state the specific purpose or purposes for which the tax is to be levied, the length of time the tax is to remain in effect, and all proceeds of the tax shall be dedicated to the purpose or purposes set forth in the proposition.

(C) This section shall not apply to the city of New Orleans.


Comment: (a) Retains the source provision general limitation of seven mills on municipal property taxes, except municipalities exempt from parochial taxes or those maintaining their own schools are limited to 10 mills. Deletes the provision allowing municipalities with a population of 75,000 or more to levy a special tax, not exceeding one mill to provide for three-platoon police systems. Deletes the authority of municipalities of from 15,000 to 30,000 to levy a special tax, not exceeding one and one-half mills for the maintenance of municipal employees' retirement funds.

(c) Paragraph (B) gives municipalities the authority to levy special taxes, subject to voter approval. This would allow any municipality to levy a special tax, subject to voter approval, for one or both of the enumerated purposes which is now deleted from the source, see comment (a), supra.

(d) As in the source provisions, the limitation on millage for the city of New Orleans is found in the Section on parish millage limits.

Section 4. Special Taxes; Ratified

Section 4. Any special tax being levied by any political subdivision under prior laws or the constitution of this state when this constitution is adopted is hereby confirmed and ratified and the political subdivision is authorized to continue to levy said tax only for the purpose and duration previously authorized by law or by vote of the electors authorizing the tax.


Comment: Numerous special taxes are authorized under the present constitution. This provision continues these special taxes only for the purpose and duration authorized. Thereafter, voter approval would be necessary to continue any special tax presently being levied by a parish or municipality; see paragraph (B) of Sections 1 and 2, supra.

Section 5. Political Subdivisions: Exclusive Authority to Levy and Collect Ad Valorem Taxes

Section 5. Notwithstanding any provision contained in Article____, Section____ of this constitution to the contrary, the power of taxation shall not be exercised by the legislature to levy an ad valorem tax upon any property in the state, and such power shall be exclusively vested in political subdivisions to be exercised as provided in this constitution.

Source: New

Comment: (a) Vest in political subdivisions the exclusive authority to use the ad valorem tax as a source of revenue.

(b) Prohibits the legislature from levying an ad valorem tax.

Section 6. Political Subdivisions: Occupational License Tax; Income Tax; Limitations
Section 6. Political subdivisions shall not levy:
1. a greater occupational license tax than is imposed
2. by the state;
3. (2) taxes upon or measured by income or
4. earnings, except as shall be authorized by an act passed
5. by not less than two-thirds vote of the elected member-
6. ship of the legislature.


Comment: (a) Retains the source except it eliminates certain
1. classes of workers exempted from the license tax.
2. (b) The new section gives political subdivisions the
3. power to levy income taxes if authorized by the leg-
4. islature.

Section 7. Bonds of Political Subdivisions: General

Obligations

Section 7. The full faith and credit of every political
1. subdivision are hereby pledged to the payment of principal
2. and interest on all bonds issued by it that are payable
3. from taxes levied without limitations as to rate or amount
4. under the terms of the statute or proceedings pursuant to
5. which they are issued. The governing authority of the
6. issuing political subdivision shall levy and collect or
7. cause to be levied and collected on all taxable property in
8. the political subdivision ad valorem taxes fully sufficient
9. to pay principal and interest on such bonds as they mature.
10. Source: La. Const. Art. XIV, §14, (a), (b.1), (c.2), (d.1), (d.2),
11. (d.4), and (m) (1921).

Comment: (a) In some cases, the source provision sets forth
1. requirements for named political subdivisions to insure
2. that sufficient sums will be collected to pay their bonded
3. indebtedness. In other instances, no such requirements
4. are enumerated.
5. (b) This Section sets forth uniform requirements
6. upon political subdivisions to insure repayment of their
7. bonds.

Section 8. Taxpayer Authorization of Ad Valorem Tax

Bonds of Political Subdivisions

Section 8. Bonds payable from ad valorem taxes levied
1. without limitation as to rate or amount may be issued only
2. after authorization by a vote of a majority in number of
3. the electors in the political subdivision issuing such
4. bonds, voting on the proposition. Funding and refunding
5. bonds, even though payable solely from ad valorem taxes,
6. need not be so authorized at an election if the indebted-
7. ness funded or refunded is paid or cancelled at the time
8. of the delivery of the funding or refunding bonds, or if
9. money, or securities made eligible for such purpose by
10. law, are deposited in escrow in an adequate amount, with
11. interest, to be utilized solely for the purpose of re-
12. tiring the funded or refunded indebtedness or bonds and
13. paying interest thereon and redemption premiums, if any,
14. to the time of retirement.

Source: La. Const. Art. XIV, §14, (a), (b.2), (c.3), (f), (g),
1. (k) (1921).

Comment: (a) The source provision contains authority for
1. certain enumerated political subdivisions to incur debt
2. and issue bonds, with the requirement that such bonds may
3. be issued only after authorization by a vote of the ma-
4. jority in number and amount of the property taxpayers
5. qualified to vote voting on the proposition at an election
6. held therefor. The above Section extends this requirement
7. to all bonds issued by political subdivisions payable from
8. ad valorem taxes without limitation as to rate or amount
9. and eliminates the property taxpayer requirement for
10. voting in bond elections.

(b) The source provision authorizes certain specified
1. political subdivisions to issue funding and refunding
2. bonds. The above Section extends such authority to all
3. political subdivisions and specifically provides that no
4. election is needed to issue such bonds, if at the time of
5. delivery of the bonds the indebtedness funded or refunded
6. is paid or cancelled or sufficient money or security is
7. deposited in escrow.

Section 9. Limitations on Bonded Indebtedness of Political
8. Subdivisions

Section 9. (A) Bonds which are payable wholly or in
1. part from ad valorem taxes levied without limitations as
2. to rate or amount may be issued by any political subdivi-
3. sion for any one purpose which, including the existing
4. bonds of such political subdivision incurred for the same
5. purpose and payable solely from ad valorem taxes levied
6. without limitation as to rate or amount, shall not exceed
7. in the aggregate ten percent of the assessed valuation of
8. taxable property in the political subdivision, to be

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ascertained by the assessment for state and parish purposes last completed prior to the delivery of such bonds, except that as to both parishwide school districts and other school districts, the limitation applicable to each district shall be twenty-five percent of the assessed valuation of the taxable property.

(b) Any municipality that finances and operates its own schools and is not located within a parishwide or other school district shall be regarded as and treated as on the same basis for the purpose of debt limitation and shall have the same authority for all purposes of this Section as though it were such a school district.

(c) The legislature may increase the debt limitations established in this Section by general or special law passed by a two-thirds vote of the elected membership of each house.

(D) Bonds of drainage districts payable from acreage taxes and refunding bonds shall not be considered to be bonds payable solely from ad valorem taxes for all purposes of this Section.


Comment: (a) The source provision provides that the political subdivisions enumerated therein shall not incur debt and issue bonds which, including the existing bonded debt for such subdivision for such purpose, shall exceed in the aggregate 10 percent of the assessed valuation of the taxable property of such subdivision. The limitation is continued in this revised Section, but it is made applicable to all political subdivisions.

(b) The source provision provides that the municipality of Monroe shall be treated the same as the parishwide school district or special school district. This revised Section extends this treatment to any municipality that finances and operates its own schools, without specifically mentioning the municipality of Monroe.

(c) The source provision increases the limitation for parishwide school districts and special school districts to 25 percent for specifically enumerated purposes. This revised Section increases the limitation for such school districts for all purposes.

(d) This revised Section retains the exception from the above limits of bonds issued and secured by acreage taxes, and refunding bonds.

Section 16. Limited Time for Contesting Bonds of Political Subdivisions

Section 18. (A) For a period of sixty days from the promulgation of the result of any election held for the purpose of incurring or assuming debt, issuing bonds, or levying a special tax, any person in interest shall have the right to contest the legality of such election, the bond issue provided for, or the tax authorized, for any cause; after which time no one shall have any cause or right of action to contest the regularity, formality, or legality of said election, tax provisions, or bond authorization, for any cause whatever. If the validity of any election, special tax, or bond issue authorized or provided for, held under the provisions of this Section, is not raised within the sixty days herein prescribed, the authority to issue the bonds, the legality thereof, and the taxes necessary to pay the same shall be conclusively presumed to be valid, and no court shall have authority to inquire into such matters.

(B) Every ordinance or resolution authorizing the issuance of bonds by a political subdivision shall be published once in a newspaper published in the political subdivision, or if there is none, then in a newspaper having general circulation therein. For a period of thirty days from the date of the publication any person in interest may contest the legality of the ordinance or resolution, the bonds authorized thereby, and of any provision therein made for the security and payment of the bonds. After this time, no one shall have any cause of action to test the regularity, formality, legality, or effectiveness of the ordinance or resolution, bonds, and provisions for any cause whatever, and after this time it shall be conclusively presumed that every legal requirement for the issuance of the bonds, including all things pertaining to the election, if any, at which the bonds were authorized, has been complied with, and no court shall have authority to inquire into any such matters after the lapse of this thirty days.

Source: La. Const. Art. XIV, §14, ¶(a),(b.2),(g),(l),(m), (n), (1921).

Comment: (a) The first Paragraph of this Section makes no change in the law.

(b) The source provision sets forth requirements similar to those in the second paragraph of the revision section for specified types of bond issues. This revised Section extends the requirements to all types of bond issues.

Section 11. Local Improvement Assessments

Section 12. (A) The legislature shall provide by
PROPOSAL

Introduced by Mr. Lanier

A PROPOSAL

Requiring approval of local legislative body before any state legislative increase in municipal or parish financial burden.

PROPOSED SECTIONS:

Article___, Section___. Legislation Increasing Municipal or Parish Financial Burdens

State legislation requiring increased municipal or parish expenditures from local funds shall be effective only after approval by ordinance enacted by the affected local legislative body. When funds sufficient to meet the increased local expenditure are provided to the municipal or parish government by that legislation or by separate legislation enacted at the same legislative session, local approval is unnecessary.

Source: New

Comments: Makes home rule provision similar to, though stronger than those contained in the Rhode Island Constitution and in the Project of a Constitution for the State of Louisiana with Notes and Studies, Vol. 1, pt. II, p. 1273. Both of those documents allow the state legislatures to intervene in municipal affairs through general laws, the Project by a two-thirds vote of all the members elected to each house. See Rhode Island Constitution Article XVIII, Secs. 4, 5 (1843) and Project.

CC/RS-387

Constitutional Convention of Louisiana of 1973

DELEGATE PROPOSAL NUMBER

Introduced by Joseph F. Toomey

PROPOSED SECTIONS

Article___, Section___. Reimbursement of expenses incurred by parishes arising from crimes in or by inmates or employees of state penal institutions

Section 1. The state shall reimburse parishes in which are located penal institutions of the State of Louisiana the expenses incurred by the parishes arising from crimes committed in such institutions or by the inmates or employees thereof.

Source: Law Institute Section 12, makes no change in the law.
Article____, Section____. Acquisition of property by
depolitical corporations.
Section 2. Political corporations may acquire prop-
erty for any public purpose, including but not limited
to purchase, donation, expropriation, or exchange.

Source: Law Institute Section 15, no change made.

Article____, Section____. Bonds of political sub-
divisions; general obligations
Section 3. The full faith and credit of every po-
titical subdivision are hereby pledged to the payment
of principal of and interest on all bonds issued by it
that are payable from taxes to be levied without limitation
as to rate or amount under the terms of the statute
or proceedings pursuant to which they are issued. The
governing authority of the issuing political subdivision
shall levy and collect or cause to be levied and col-
clected on all taxable property in the political subdi-

Source: Law Institute Section 20, as amended.

Article____, Section____. Taxpayer authorization
ad valorem tax bonds of political subdivisions
Section 4. Bonds payable from ad valorem taxes to be
levied without limitation as to rate or amount may be iss
only after authorization by a vote of a majority in
number of the qualified electors in the political sub-
division issuing such bonds, voting on the proposition
at a general or special election held therefor. Fund-
ing and refunding bonds, even though payable solely
from ad valorem taxes, need not be so authorized at an
election if the indebtedness funded or refunded is paid
or cancelled at the time of the delivery of the funding
or refunding bonds, or if money, or securities made
eligible for such purpose by law, are deposited in
escrow in an adequate amount, with interest, to be
utilized solely for the purpose of retiring the funded
or refunded indebtedness or bonds and paying interest
thereon and redemption premiums, if any, to the time
of retirement.

Source: Law Institute Section 21, changes include those to
with subsequent court decisions.

Article____, Section____. Limitations on bonded
indebtedness of political subdivisions
Section 5. A. Bonds which are payable wholly or in
part from ad valorem taxes to be levied without limitation
as to rate or amount may be issued by any political sub-

division from any one purpose which, including the exist-
ing bonds of such political subdivision incurred for the

same purpose and payable solely from ad valorem taxes
to be levied without limitation as to rate or amount,
shall not exceed in the aggregate ten percent of the
assessed valuation of taxable property in the political
subdivision, to be ascertained by the assessment for
state and parish purposes last completed prior to the
delivery of such bonds, except that as to both parish-
wide school districts and other school districts, the
limitation applicable to each district shall be twenty-
five percent of the assessed valuation of the taxable
property. B. Any municipality that finances and operates
its own schools and is not located within a parish-wide
or other school district shall be regarded as and treated
upon the same basis for the purpose of debt limitation
and shall have the same authority for all purposes of
this article as though it were such a school district.
C. The legislature may increase the debt limitations
established in this section by general or special law
passed by a two-thirds vote of the elected membership
of each house. D. Bonds of drainage districts payable
from acreage taxes and refunding bonds shall not be
considered to be bonds payable solely from ad valorem
taxes for any purpose of this section.

Source: Law Institute Section 22, Subsections A and C as
amended, no changes made in Subsections B and D.

Article____, Section____. Limited time for contesting
bonds of political subdivisions
Section 6. A. For a period of sixty days from the
promulgation of the result of any election held for the
purpose of incurring debt, issuing bonds, or levying a
special tax, any person in interest shall have the right
to contest the legality of such election, the bond issue
provides for, or the tax authorized, for any cause;

often which time no one shall have any cause or right
of action or contest the regularity, formality, or
legality of said election, tax provisions, or bond
authorization, for any cause whatsoever. If the valedity
of any election, special tax, or bond issue authorized or
provided for, held under the provision of this section,
is not raised within the sixty days herein prescribed,
the authority to issue the bonds, the legality thereof,
and the taxes necessary to pay the same shall be con-
diusively presumed, and no court shall have authority to inquire into such matters. B. Every ordinance or resolution authorizing the issuance of bonds by a political subdivision shall be published once in a newspaper published in the political subdivision, or if there is none, then in a newspaper having general circulation therein. For a period of thirty days from the date of the publication any person in interest may contest the legality of the ordinance or resolution, the bonds authorized thereby, and of any provision therein made for the security and payment of the bonds. After this time, no one shall have any cause of action to test the regularity, formality, legality, or effectiveness of the ordinance or resolution, bonds, and provisions for any cause whatever; and often this time it shall be conclusively presumed that every legal requirement for the issuance of the bonds, including all things pertaining to the election, if any, at which the bonds were authorized, has been complied with, and no court shall have authority to inquire into any such matters often the lapse of this thirty days.

Source: Law Institute Section 23, no changes made in Subsections A and B, Subsection C eliminated, thereby affording the same provisions to the City of New Orleans. This would be in order should the Board of

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Liquidation, City Debt be eliminated from the Constitution.

Article____, Section____. Local improvement assessments

Section 7. A. The legislature may authorize by special or general law, political subdivisions to levy and collect local or special assessments on real estate, for the purpose of constructing, paving, surfacing, or otherwise improving roads, streets, sidewalks, alleys, sewers, or other similar works of public improvement. B. Certificates of indebtedness may be issued to cover the cost of the public improvement which shall be secured by the pledge of the local or special assessments levied therefor, and may be further secured by the pledge of the full faith and credit of the political subdivision to the payment of the certificates of indebtedness. C. The governing authority of the political subdivision that has issued certificates of indebtedness payable from sources other than ad valorem taxes, and has pledged its full faith and credit for the prompt payment of the principal and interest thereof, shall levy or cause to be levied on all taxable property in the political subdivision ad valorem taxes, without limitation as to rate or amount, fully sufficient to make up any deficit in the other sources of revenue pledged to the payment of the certificates in principal and interest.

Source: Law Institute Section 24, no change made.

Article____, Section____. Assumption of bonded indebtedness of political subdivisions by another

Section 8. A. The legislature may authorize any political subdivision to assume the bonds or other indebtedness of any other political subdivision lying entirely within its boundaries, but if the bonds or other

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indebtedness assumed are payable from ad valorem taxes, this assumption shall be effective only if authorized at an election held in the assuming political subdivision as provided in Section____ of this article for the authorization of similar bonds.

Source: Law Institutes Section 25, no change made.

Article____, Section____. Revenue producing property

Section 9. The legislature may authorize political corporations to issue bonds for the purpose of constructing, acquiring, extending, or improving any revenue-producing public utility. The bonds may be secured by mortgage on the lands, buildings, machinery, and equipment or by the pledge of the income and revenues of such public utility; and shall not be a charge upon the other income and revenues of the political corporation.

Source: Law Institute Section 26, this is a restatement of the law.

Article____, Section____. Assistance to local industry by political subdivisions

Section 10. A. Subject to such restrictions as it may impose, the legislature may authorize any political subdivision, in order to induce and encourage the location of or addition to industrial enterprises therein; or to provide funds for the erection and maintenance of industrial plants for the conversion or processing or raw farm or agricultural products, to issue bonds and use the funds derived from the sale thereof to acquire and improve industrial plant sites and other property necessary to the purposes thereof, and to acquire, through purchase, construction, or otherwise, and to improve, industrial plant buildings and industrial plant equipment, machinery,

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furnishing, and assurances, and to sell, lease; or otherwise dispose of all or any part of the foregoing.
B. It is hereby found and declared that the purposes
designed to be accomplished herein are public and
proper legislative purposes and will be of public benefit
to the political subdivision issuing the bonds.

Source: Law Institute Section 27, no change made.

Article__, Section__. Agreements between political subdivisions, or with the state, or another
state, or United States

Agreements may be made by any political subdivision
with any other political subdivision or with the state,
or when authorized by the legislature, with the United
States or an agency thereof, or with any other state or
an agency thereof, for a cooperative or joint administra-
tion of any functions authorized to be performed by the
parties to such agreements.

Source: Law Institute Section 28, no change made.

CC-330

Constitutional Convention of Louisiana of 1973
DELEGATE PROPOSAL NUMBER
Introduced by Delegate D'Gerolamo

A PROPOSAL

Relative to local and parochial government.
Be it adopted by the Constitutional Convention of Louisiana
of 1973:

Article__, Section 9. Legislation Increasing Municipal
or Parish Financial Burdens; Local Approval

Section 9. No law requiring an increase in expenditures,
or deductions from the funds of a political subdivision,
except a law providing for minimum wages, working conditions,
and retirement benefits for firemen and policemen, shall have
effect until approved by ordinance enacted by the governing
authority of the political subdivision affected thereby or
until the legislature appropriates funds to the affected
political subdivision for that purpose and only to the extent
and amount that such funds are provided.

CC-
Constitutional Convention of Louisiana of 1973
DELEGATE PROPOSAL NUMBER
Introduced by Delegate Zervigon

A PROPOSAL

Relative to local and parochial government.
Be it adopted by the Constitutional Convention of Louisiana
of 1973:

Article__, Section 20. Assistance to Local Industry
by Political Subdivisions

Section 20. (A) Subject to such restrictions as
it may impose, the legislature may authorize any political
subdivision, in order (1) to induce and encourage the
location of or addition to industrial enterprises therein,
or (2) to provide for the establishment and furnishing of
industrial plants for the conversion or processing of raw
farm or agricultural products, or (3) to provide movable
or immovable property, or both, for pollution control
facilities: (a) to issue bonds and use the funds derived
from the sale thereof to acquire, through purchase, con-
struction, or otherwise, and to improve industrial plant
sites, buildings, equipment, machinery, furnishings, appur-
tenances, and other property necessary to the purposes
thereof; and (b) to sell, lease, or otherwise dispose of
all or any part of the foregoing.

(B) It is hereby found and declared that the pur-
poses designed to be accomplished herein are public and
proper legal purposes and will be of public benefit to
the political subdivision issuing the bonds.

IV. General Correspondence

Sewerage & Water Board OF NEW ORLEANS

February 28, 1973

Honorable Chaim O. Perez, Chairman
Committee on Local & Parochial Government
Sewerage & Water Board of New Orleans
1806 Commerce Building
New Orleans, Louisiana 70112

Dear Mr. Perez:

Mr. Ulisse M. Nolan, President Pro Temp., of the Sewerage and Water Board of New Orleans, has requested that I notify you and your committee that he and other citizen taxpayer members of the Board wish to speak with your committee concerning the position that they believe the Sewerage and Water Board of New Orleans should occupy in the draft of the upcoming Constitution that will be offered to the voters of the state for approval.

Mr. Nolan asked that I request, thru you, that the Constitutional Convention move with caution in any statement or conclusion of the structure of the Sewerage and Water Board in state law, both constitution and in the statutes, as the existing structure has served the city admirably over the past 74 years.

It has been stated in the local news media that your committee will meet on March 9th, and Mr. Nolan is asking that he and the other citizen members of the Board be invited to attend.

Sincerely yours,

William P. Prent, Jr.
Secretary-Executive Director

George D. Bearden
113 Union Street
Schenectady, N. Y. 12305

March 8, 1973

Miss Mary Zervigon
Staff Assistant
Office of the Mayor
New Orleans, Louisiana 70112

Dear Miss Zervigon:

With reference to local government, I doubt that I can add anything to whatever has been supplied you by the sources you mention. I trust you have received a copy of my Citizens’ Guide to the Texas Constitution. (Dean Morgan has a copy, I am sure.) In the Introduction thereof I make some comments about local government. There is also a chapter on local government. You also know, I am sure, about the book Professor Odin and I wrote about the Illinois Constitution. There is some, but not much, material in it concerning local government. There will be more in the book on the Texas Constitution but, unfortunately, I haven’t written it yet.

On the problems of transitions, I commend to you the transition schedule of the 1970 Illinois Constitution. I drafted it and, as far as I know, the idea of having such a schedule is original. I note that North Dakota and Montana both copied the idea. But I have more. At the New York Constitutional Convention in 1977 I was asked by the chairman of my committee to draft an entire constitution for New York, which I did. He introduced it, but naturally nothing happened. The New York Constitution, as you may know, is filled with a lot of statutory detail -- not, of course, in a class with Louisiana -- most of which I took out. In order to cover this I provided some general provisions, I have not bothered to send you the entire draft, which is only an exercise, but I do enclose the pages of the general provisions and the pertinent pages of the explanatory memorandum which accompanied the draft constitution. I think that these might help you to invent necessary transitional provisions.

I would summarize the theoretical and practical problem thus: If you can convince the delegates and the people that legislative material should be left out, that the constitution should not try to solve problems but state who solves problems, then you can take all legislative material cut by use of a transition schedule that self-destructs so to speak and that uses such devices as I suggested for New York. And if the transition schedule is made destructive, then the principles set forth above are not violated by any amount of destructible detail temporarily left in the schedule.

If you are willing to accept off-the-top-of-the-head ideas, I shall be happy to be of any further service that I can.

Sincerely yours,

March 8, 1972

in a manner provided by such convention and at an election which shall be held not less than six weeks after the adjournment of such convention. Upon the approval of such constitution in the manner provided in the last preceding section, such constitution shall go into effect on the date provided for therein.

ARTICLE XIV
General Provisions

Section 1. The enumeration in this constitution of specified powers and functions shall not be construed either as a grant or as a limitation of the powers of state government but the state government shall have all the powers not denied by this constitution or by or under the constitution and laws of the United States. The absence in this constitution of a grant of power contained in the constitution hereby superseded shall not be construed as a limitation of the powers of the state government.

Section 2. In any case in which the constitution hereby superseded granted by its terms a private right, power or privilege to any person and if on the effective date of this constitution there is no statute in effect providing by its terms the same private right, power or privilege, then such right shall be
doomed to continue in effect as if it were a statute until such time as the grant may be withdrawn, reduced or otherwise changed by law.

Section 3. Any limitations on the taxing and borrowing power of local governments contained in the constitution hereby superseded which are not preserved by statutes now in effect shall continue until such time as they shall be changed by law pursuant to Article VIII of this constitution.

Section 4. All laws not inconsistent with this constitution shall continue in force until they expire by their own limitation or are amended or repealed, and all existing writs, actions, suits, proceedings, civil or criminal liabilities, prosecutions, judgments, sentences, orders, decrees, appeals, causes of action, contracts, claims, demands, titles and rights shall continue unaffected except as modified in accordance with the provisions of this constitution.

Section 5. All officers filling any office by election or appointment shall continue to exercise the duties thereof, according to their respective commissions or appointments, until their offices shall have been abolished or their successors selected and qualified in accordance with this constitution or the laws enacted pursuant thereto.

ARTICLE XV
When to Take Effect

Section 1. This constitution shall take effect from and including the first day of January, one thousand nine hundred sixty-eight, except as herein otherwise provided.

Section 2. [Cont'd]

ARTICLE XVI. General Provisions

Note: This is a new article.

Section 1. The first sentence of this section is taken from the "Model State Constitution." The purpose of the provision is to make it clear that a state government has all the powers of government not specifically denied in the state constitution or by the Constitution and laws of the United States. Thus, this provision makes it clear that there is no need to insert in the constitution any affirmative grant of power.

The second sentence of this section has been added to reinforce the preceding in the case of the several affirmative grants of power which have been omitted from this proposed constitution.

Section 2. In several instances the proposed constitution omits a legislative matter which, by its terms, grants a private right, power, or privilege. It is provided that if there is an existing statute inconsistent with such a grant, the grant continues in effect as if it were a statute.

Section 3. The article limiting taxing and borrowing power of local government has been omitted as a legislative detail but because it will take some time for the legislature to replace such an article this section continues such limitations until they are changed pursuant to the proposed Local Government Article.

Sections 4 and 5. These two sections, taken from the "Model State Constitution," provide all necessary transitions from the old constitution to the new constitution. These two sections, together with Sections 2 and 3 discussed above, eliminate the necessity for any extensive delay in the effective date of the new constitution and avoid an inordinate immediate burden on the legislature.

Section 1. Unchanged in substance.

CITY OF NEW ORLEANS
DEPARTMENT OF CITY SERVICE

WILLIAM C. LANDRIOU
MAYOR

WILLIAM R. KONRAD
DIRECTOR OF PERSONNEL

March 9, 1973

Mr. Chalin G. Perez
Chairman of the Committee on Local and Parochial Government
Louisiana Constitutional Convention
Second Floor, State Capitol
Baton Rouge, Louisiana

Mr. Perez:

In connection with the activities of your committee, I am sending you herewith my own personal views on a possible constitutional provision to provide civil service for the cities of the state.

This proposal is considerably briefer than the existing civil service provision which covers both city and state operations. However, it retains those elements which I feel are essential for a strong and viable civil service system.

Very truly yours,

CITY OF NEW ORLEANS
CIVIL SERVICE DEPARTMENT

William R. Konrad
Director of Personnel

Enclosure

"An Equal Opportunity Employer"
A. City Service or Civil Service of the city means all officials and positions of trust or employment in the employ of the city or any department, independent agency or other agency, board, or commission. (Source: Section 15, Article XIV; (A) (3)).

B. The classified City Civil Service shall include all officers and employees in the City Civil Service except (1) officers elected by the people and persons appointed to fill vacancies in elective offices, (2) heads of principal departments appointed by the mayor or other governing body of any city, (3) city attorneys, (4) members of city boards and commissions, (5) one principal assistant or deputy, one attorney and one person holding a confidential position to any officer, board or commission mentioned in 1, 2, and 4, except the City Civil Service Department, (6) officers and employees of the Office of the Mayor and City Attorneys, (7) commissioners of elections and watches, custodians and deputy custodians of voting machines, (8) all persons employed and deputies selected by sheriffs, clerks of court and courts of record except those presently in the classified service. Additional exceptions may be made and revoked by rules adopted by the Commission. (Source: Section 15, Article XIV; (G)).

C. There is hereby created and established in the city government of each city having a population exceeding 300,000, a Department of City Civil Service, the administrative head of which shall be the Director of Personnel to be appointed as herein after provided. (Source: Section 15, Article XIV; (B)).

D. There is hereby created and established a City Civil Service Commission for each city having a population exceeding 300,000, to be composed of three citizens who are qualified voters of the city in which they serve. One member of the Commission shall be appointed by the governing body of the city. The other two members of the Commission shall be appointed as follows:

The president of the six oldest colleges or universities located in or nearest to the city concerned shall each nominate one person, and two members of the Commission shall be appointed by the governing body of the city from the panel of six persons. One of the members first appointed shall serve for two years, one for four years, and one for six years. The respective terms of the first appointees shall be designated by the governing body of the city. Vacancies shall be filled in the same manner as the original appointments. Each succeeding appointee shall serve for six years. Provided that appointment to fill a vacancy for an unexpired term shall be only for the unexpired term. Each commissioner shall serve until his successor has been appointed, and members of the existing Commission shall continue to serve until the first commissioners are appointed pursuant to this section. No member of the Commission shall be removed except for cause after being given a copy of the charges against him and an opportunity to be heard publicly on such charges by his appointing authority. Members of the Commission shall each be paid fifty dollars ($50.00) for each day devoted to the work of the Commission but not more than two thousand dollars ($2,000.00) in any year. They shall also be entitled to reimbursement for actual expenses. (Source: Section 15, Article XIV; (D) & (E) & (K)).

E. The Commission shall appoint a Director of Personnel, with or without competitive examination, who shall be in the classified service. The Director shall appoint such personal and staff and have such powers and perform such duties as are authorized and delegated to him by the Commission.

F. Permanent appointments and promotions in the classified City Civil Service shall be made only after certification by the Department of Civil Service under a general system based upon merit, efficiency, and fitness as ascertained by examinations which, so far as practical, shall be competitive, and employees and officers in the classified service shall be employed from those eligible under such certification. The Commission shall adopt rules for the method of certification of persons eligible for appointment and promotion and shall provide for appointments defined as emergency and temporary appointments where certification is not required.
G. No person having gained permanent civil service status in the classified City Civil Service shall be subjected to disciplinary action except for cause; nor shall any classified employee be discriminated against by reason of his political or religious beliefs, sex, or race. Any classified employee so discriminated against or subjected to such disciplinary action shall have the right of appeal to the City Civil Service Commission.

The burden of proof on appeal, as to the facts, shall be on the employee. (Source: Section 15, Article XIV; (A) (1) (2).

H. The Commission is vested with broad and general rule-making powers, including subpoena powers, for the administration and regulation of the classified City Civil Service including, but not limited to, regulation of employment, promotion, demotion, suspension, reduction in pay, removal, certification, qualifications and all other personnel matters and transactions, the adoption of a uniform pay and classification plan, employment conditions, compensation and disbursements to employees, and generally to carry out and effectuate the objectives and purposes of the merit system of Civil Service as herein established.

I. No member of the City Civil Service Commission and no officer or employee in the classified service shall participate or engage in political activity or be a candidate for nomination for election to public office or be a member of any national, state or local committee of a political party or faction nor make or solicit contributions for any political party, faction or candidate nor take active part in the management of the affairs of a political party, faction or candidate or any political campaign except to exercise his right as a citizen to express his opinion privately, to serve as a commissioner or as an official watcher at the polls and to cast his vote as he desires. No person shall solicit contributions for political purposes from any classified employee or official nor use or attempt to use his position in the City Civil Service to punish or coerce the political action of such person.

J. The Commission is authorized to make investigations into violations of the provisions of this section and the rules or laws adopted pursuant hereto.

K. The rules adopted pursuant hereto shall have the effect of law. The Commission may impose penalties for their violation in the form of demotion in, or suspension or discharge from, position with attendant loss of pay. (Source: Section 15, Article XIV; (1) (2) (4).

L. Any person who wilfully violates any provision of this section or of the laws adopted by the legislature pursuant hereto shall be guilty of a misdemeanor and shall upon conviction, be punished by a fine of not more than $500.00, or by imprisonment for not more than six months, or both. (Source: Section 15, Article XIV; (P) (3).

M. Upon the effective date of this amendment, all officers and employees of the city who have Civil Service status in the classified service of the city shall retain said status in the position, class, and rank that they have on such date and shall thereafter be subject to and governed by the provisions of this amendment and the rules and regulations adopted under the authority hereof.

March 13, 1973

Mr. Gene Terrebonne
Louisiana Constitutional Convention
of 1973
P. O. Box 4473
Baton Rouge, Louisiana 70804

Dear Gene:

I spoke with Chalino Perez and he requested that I notify you to place the Lafourche Parish Police Jury items on the agenda at 11:00 a.m. on Monday, March 19, 1973. Also, please place the Lafourche Parish Fire-Raw Commission on the agenda for 1:30 p.m. on Tuesday, March 20, 1973.

I am concerned about the coordination and cooperation between special legislative and constitutional districts and units of local government. Is there any way that we can require coordination and cooperation between these units? On possibility would be to require that the local units make the appointments to the special districts on a pro-rata basis and another would be to require approval from the local units to the activities of the independent district. Please see if you can come up with any productive research as to what other states have done concerning this.

Please provide me with any citations on research that you can uncover concerning the works of Professor Jefferson Jordan and his so-called Jordan Plan. Your help and assistance in this matter will be appreciated.

With kindest regards, I hope to remain

Very truly yours,

[Signature]

Walter J. Lever, Jr.
Delegate, District 55
Louisiana Constitutional Convention of 1973

[248]
Mr. Chalin O. Perez, Chairman
Committee on Local and Parochial Government
P. O. Box 44473
Capitol Building
 Baton Rouge, Louisiana 70804

March 16, 1973

Dear Chalin:

On March 12, I advised you that it was my desire that you have the records of your committee show that I favored the resolution adopted by the Joint Legislative Committee at its meeting held February 27, 1973. I am now advised that there has been some objection to that part of the study committee's resolution which reads as follows:

"2. Any levee district whose flood control responsibilities are limited to and which is situated entirely within the boundaries of one parish may be merged and consolidated into such parish upon approval by a majority of the registered voters of such parish who vote at an election held substantially in accordance with the law pertaining to the holding of elections to authorize the issuance of bonds by political subdivisions of this State and upon the adoption of a resolution by the governing authority of such parish which shall provide the details of such merger and for the assumption by such parish of all bonded and other indebtedness of the affected levee district. This provision shall be self-operative."

The only objection seems to be that where only a part of the parish encompasses the levee district, only the registered voters who actually live in the levee district should decide whether or not the district should be merged into the parish governing body.

As a consequence, it will be appreciated if my previous recommendation could be changed only to the extent that I believe it would be wrong for the voters in the entire parish to decide whether or not the district should be merged into the parish governing body if the district only covers part of the parish.

Mr. Chalin O. Perez
Page 2
March 16, 1973

If you have any questions concerning the above, do not hesitate to advise.

With continued best wishes, I am,

Very truly yours,

Weldon T. Smith
President

[Handwritten note]

ASSOCIATION OF LEVEE BOARDS OF LOUISIANA
P. O. Box 44155, Capitol Station, Baton Rouge, Louisiana 70804

Office of the Secretary

P. O. Box 277
Jonesville, Louisiana 71343
March 16, 1973

Mr. Chalin O. Perez, Chairman

Dear Mr. Perez:

Thank you for your letter of March 16, 1973, regarding the joint committee's resolution on the merger of levee districts. I understand your concerns and will look into this matter further. I appreciate your efforts in this regard.

Sincerely,

[Signature]

Alvin Rudy Eason
Parish Attorney

Page -2-
March 22, 1973

As I pointed out at the Committee hearing, this may seem to be a very small grant of authority, but it does afford a great deal of autonomy to the parochial governments. I feel that while residual power would be desirable, I cannot agree with its position since there is absolutely no limitation on what authority may be stripped from the Parishes by the Legislature.

I am aware of the other provisions in the plan which would seem to have some limitation on the Legislature's authority, but I believe the simple phrasing in Article 14, Section 3(c) could be modified to add the residual authority that you desire, and would already have a Supreme Court case to protect us in this regard and further litigation would not be required.

With kindest personal regards,

Sincerely,

Alvin Rudy Eason
Parish Attorney

ARE:h:j
File 2994
Enclosures
cc: Mr. James Arceneaux

Supreme Court
STATE OF LOUISIANA
New Orleans
P.O. Box 681
April 4, 1973

Dear Mr. Lanier:

I read with interest Section 5 of the so-called Fordham Plan which you had sprung in your manner.

While I would, as Parish Attorney, be of the opinion that residual authority would certainly clear up a lot of matters for the Parishes, I cannot agree that any Parish would give up its authority or right to structure and organize itself as we have done in Jefferson Parish.

The way I read Section 5, there would be no limitation on the Legislature's authority to limit the authority of the various Parishes or to cause them to effect any type of pay raises or pay ranges for organization that they may see fit to do in the Legislature.

This type of law has wreaked havoc with various municipalities and the City of New Orleans.

Fortunately, the City of Baton Rouge and the Parish of Jefferson has been given the protection of the LaFleur case from the First Circuit Court and the Letellier case from the Louisiana Supreme Court. Accordingly, for your information, I am forwarding hereon copies of the two judgments which I feel would more clearly explain our position.

Page -2-
March 22, 1973

As I pointed out at the Committee hearing, this may seem to be a very small grant of authority, but it does afford a great deal of autonomy to the parochial governments. I feel that while residual power would be desirable, I cannot agree with its position since there is absolutely no limitation on what authority may be stripped from the Parishes by the Legislature.

I am aware of the other provisions in the plan which would seem to have some limitation on the Legislature's authority, but I believe the simple phrasing in Article 14, Section 3(c) could be modified to add the residual authority that you desire, and would already have a Supreme Court case to protect us in this regard and further litigation would not be required.

With kindest personal regards,

Sincerely,

Alvin Rudy Eason
Parish Attorney

ARE:h:j
File 2994
Enclosures
cc: Mr. James Arceneaux

Supreme Court
STATE OF LOUISIANA
New Orleans
P.O. Box 681
April 4, 1973

Mr. Walter I. Lanier, Jr.
Delegate, District 55
Committee on Legislative Liaison
Agrarian and Transitional Measures
P. O. Box 44473
Baton Rouge, Louisiana 70804

Dear Mr. Lanier:

I certainly appreciate your concern about the Committee on Alternatives, but I wish that perhaps you had called me. The Coordinating Committee, composed of the chairmen of the substantive committees, had set up this subcommittee in the interest of recommending a general approach of all substantive committees. Representative LeBreton was made a member to assure liaison with the Committee on Legislative Liaison and Transitional Measures, of which he is chairman.

Sincerely,

Alvin Rudy Eason
Parish Attorney
In other words, the Coordinating Committee, with general responsibility for coordinating approaches of the substantive committees, set up a Committee on Alternatives to make recommendations to it on alternative methods of transposing into statutory or other form material to be omitted from the new constitution but contained in the former constitution and still needed.

I would appreciate it if you would forward a copy of this letter to all those to whom you mailed your letter, with the suggestion that any who disapprove of this approach bring it up with Speaker Henry, Chairman of the Coordinating Committee, and that committee.

Yours truly,

Albert Tate, Jr.


P.S. Please give my regards to your father, a truly fine man.

STANDARD & POOR'S CORPORATION
345 HUDSON STREET NEW YORK, N.Y. 10014

April 5, 1973

Mr. Walter F. Lamer, Jr.,
Committee on Local and Parish Government
State of Louisiana Constitutional Convention of 1973
P.O. Box 44473
Baton Rouge, Louisiana 70804

RE: Louisiana Constitutional Revisions

Dear Mr. Lamer:

This will respond to your recent request for our thoughts concerning certain proposed changes in the Louisiana Constitution.

We saw no direct relationship between individual placement of a unit in the Constitution and its credit rating. Once a unit has a bond obligation, the bond is a contract between that unit and the bondholder for the life of the bond. In your letter you seem to equate a bond rating with bond price. We cannot agree with that assumption and hold that the credit rating and bond price are not necessarily linked.

Generally, a State Constitution should contain as little detail as possible. It should cover areas of concern in a broad fashion, allowing the legislature ample leeway for meeting problems as they arise from time to time. You appear to be moving somewhat in that direction.

We see no problems with your Proposed Sections 18, 19, 20, 22, and 23. As you indicated for Proposed Section 21, it may have to be modified to eliminate reference to property owners.

Proposed Section 24 raises the question of pledging local full faith and credit without a vote of the electorate. If voter approval is needed for full faith and credit bonds, why allow the procedure outlined in Section 24? Proposed Sections 25 through 29 offer no problems.

Overall, we have found that with very few exceptions, fiscal reporting on the part of local units is either late, substandard or lost. We find this to be especially true of parishes, school districts and special districts. Your committee would do well to use its offices to mandate standardized and current annual financial reporting. We find that we have adequate data in connection with a new bond issue but the issuer usually forgets about us thereafter. We have an obligation to maintain regular surveillance of our published ratings. When we do not have adequate current financial data, we are compelled to withdraw our rating.

In another area, we suggest that a uniform and standard basis of assessment be established statewide and properly enforced.

A year ago we were informed of a proposed new Article IV concerning State Public Debt but still do not know the status of this proposition.

We trust the above will be of some use to you in your deliberations. Please feel free to call for any elaboration.

Very truly yours,

Nymon C. Grossman
Manager
Municipal Bond Department

cc: Mr. John R. Fleischer
Vice President
Municipal Bond Department

Mr. Chun Perez, Chairman
Committee on Local and Parish Government
Louisiana Constitutional Convention of 1973
Baton Rouge, Louisiana

Dear Mr. Perez:

Enclosed herewith please find a copy of the proposed section of the Louisiana Constitution providing for the Board of Liquidation, City Debt of the City of New Orleans. We have endeavor to draft this proposal in such a way that it is simple and does not require your committee on March 9 to Petreux, Kellerch and Rich, when they testified before you, concerning the Board of Liquidation. The proposed language carries forward the powers of the Board of Liquidation as they exist in the current Constitution. The provisions, however, have been considerably reduced and simplified so that we believe the proposed article provides only the essential material necessary for inclusion in the Constitution.

It should be noted that this proposal deals only with the administration of general obligation bonds of the City of New Orleans and does not include sections, presently in the Constitution, dealing with the issuance and administration of bonds which are the obligation of the Sewage and Water Board of the City of New Orleans. Presently, the Board of Liquidation, City Debt, City of New Orleans, is the agency responsible for administering the revenue bonds, drainage system bonds and the special tax for bonds now outstanding. If our Board is to continue in issue and administer bonds which are the obligation of the Sewage and Water Board, additional sections of the Constitution would be needed and we stand ready to provide any help we may be called upon to furnish in this connection.

Enclosed you will also find analyses of the three major acts providing for the Board as it presently is constituted: Act 533 of 1880, Act 110 of 1885, and Act 6 of 1910. These analyses contain an outline of the substantive provisions of the current acts together with an explanation of where similar provisions are found in the suggested draft.

Your attention is particularly called, however, to several substantive changes provided for in this draft. This draft provides for fewer members to fill vacancies on the committee of six citizens who sit on the board of liquidation are to be chosen by the mayor of the City of New Orleans from a panel of three nominees submitted by the remaining committee members. Additionally, the Council of the City of New Orleans is given the power to submit a bond issue to the voters of the City of New Orleans over the objection of the board of liquidation by a two-thirds vote of the City Council. We believe these changes cure any potential problem of constitutionality in the selection and power of the board.

This draft provides for a considerably more efficient procedure for the mechanical aspects of issuing the bonds, such as the manner in which the bonds are to be advertised and the manner in which they are signed. Since this draft continues the requirement that the bonds be issued must be voted upon by the voters of Orleans Parish, there is no stated percentage of debt limitation in the draft. The draft has also considerably reduced the details contained in previous provisions and left many matters, where legally permissible, to the board's discretion, thus minimizing the possibility of ever having to seek amendments to these provisions.

In the opinion of our counsel, if the Board of Liquidation is to have the broad powers which it now enjoys, these powers should be contained in a constitutional grant of power rather than in a legislative statute or in a home rule charter. If the grant of power to the Board of Liquidation is not contained in the Constitution, it might be open to attack as an unconstitutionally broad grant of power iron rather the legislature or a city charter. Therefore, if the board of liquidation is to be maintained in a position in which it can be of financial benefit to the City of New Orleans, it must be maintained in the Constitution.

We appreciate your kind attention to this matter and should we be able to be of assistance to you, we would be most happy to make ourselves available at your convenience.

Very truly yours,

Richard V. Freeman, President

Board of Liquidation, City Debt

Proposed Section of Louisiana Constitution Providing for the Board of Liquidation, City Debt

Section 1. The Board of Liquidation, City Debt, consisting of the permanent committee of six citizens of...
said City, the Mayor, and the two-at-large Councillors, or
their successors in office at any given time, shall continue
to be in existence while any bonds authorized by this article
are outstanding and unpaid, shall be a body politic and
corporate, and shall have exclusive control and direction of
all matters relating to the bonded debt of the City of
New Orleans.

Section 2. The City of New Orleans may issue and
negotiate its bonds when authorized by a vote of a majority
of the registered voters in the City of New Orleans who are
otherwise qualified to vote under the Constitution and laws
of this State, who vote at an election called by ordinance
adopted by a vote of two-thirds of all the members of the Council
of the City of New Orleans, or its successor as the governing
body of said City of New Orleans, and approved by a vote of
two-thirds of all the members of the Board of Liquidation,
City Debt. However, if said ordinance is not approved
by the Board of Liquidation, City Debt, as herein specified,
such election may nonetheless be called if two-thirds of
all the members of the Council of the City of New Orleans or
its successor, as governing body of the City of New Orleans
thereafter so vote, provided, however, that the ballot for such
election shall contain appropriate notice, approved by the Board
of Liquidation, City Debt that the Board of Liquidation, City
Debt has not approved the submission of the issue to the voters.
Due notice of said election shall be published in the official
journal of said City or the Board of Liquidation, City Debt
in its sole discretion shall determine.

Section 3. The full faith and credit of the City of
New Orleans are pledged for the payment of the principal of and
interest on all bonds issued pursuant to this article.

Section 4. Said bonds and the interest thereon shall
be exempt from all taxation for State, parish, municipal or
other local purposes.

Section 5. All bonds issued hereunder shall bear such
rate or rates of interest, have such term, be in such form and
denominations, have such salable features, bear such signatures,
be payable at such times and places, be registered and released
from registry, and be payable in such instalments, as all the
Board of Liquidation, City Debt, shall determine.

Section 6. All bonds issued under this article shall
be sold by the Board of Liquidation, City Debt, to the bidder
or bidders offering the lowest net interest cost to the City
of New Orleans by sealed proposals after due advertisement in
the official journal of said City, and such other advertisements,
in said City or elsewhere, at the Board of Liquidation, City
Debt may in its sole discretion direct; provided, said Board
of Liquidation may in its sole discretion reject any and all
bids.

Section 7. In case of fire, flood, pestilence, storm
or other public calamity, the City of New Orleans shall have
power, by a two-thirds vote of all the members of the Council
of the City of New Orleans, or its successor as the governing
body of said City, convened by a two-thirds vote of all
the members of the Board of Liquidation, City Debt, to borrow
money and issue and negotiate bonds in such sum as shall be
necessary in any such emergency.

Section 8. If any of the general obligation bonds of
the City of New Orleans outstanding at the time of the adoption
of this article of the Constitution or thereafter issued pursuant
to this article, are subject to redemption prior to their
respective maturities, according to their terms, the Board of
Liquidation, City Debt, shall have the right in its discretion
to call and pay any of said bonds, and shall be authorized to
issue and sell bonds at any time on or prior to any date upon
which said bonds are subject to such redemption to provide the
funds necessary for that purpose, including the expenses of
issuing and selling the refunding bonds and other incidental
expenses. The final maturity date of any of such refunding
bonds shall not be later than the final maturity date of
the bonds to be refunded, and the sum of the principal of and
interest on the refunding bonds payable in each calendar year
shall be less than the sum of the principal of and interest on
the bonds to be refunded payable in such calendar year. Until the
proceeds of the refunding bonds are required to redeem the bonds
to be refunded, the refunding bond proceeds and the income from
the investment thereof shall be used to pay and secure the
refunding bonds, and until such time such refunding bonds
shall not be payable from taxes or revenue by a pledge of the
full faith and credit of the City; however, if the Board of
Liquidation, City Debt, irrevocably sets aside for the payment
of the bonds to be refunded, refunding bond proceeds and other
amounts which together with the known earned income to be earned
from the investment thereof are sufficient in amount to pay the
principal of and interest and any redemption premiums on the bonds
to be refunded as the same become due, the Board of Liquidation,
City Debt, may provide that the refunding bonds shall be payable
from taxes levied pursuant to Section 10 and secured by a
pledge of the full faith and credit of the City.

The Board of Liquidation, City Debt, may also issue
general obligation bonds of the City in order to pay or discharge
all or any part of the outstanding general obligation bonds of
the City, including any interest thereon, in error or about to

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become due for the payment of which sufficient funds are not available.

Section 9. Except as otherwise provided in this article, the City of New Orleans shall not borrow money, issue bonds, notes or other evidences of indebtedness or pledge its credit or anticipate the collection of any of its taxes nor shall the City make any contract or incur any debt or obligation for any purpose whatsoever unless sufficient funds, not otherwise appropriated, to pay and discharge same are actually in the treasury of said City at the time of making the contract or incurring the debt or obligation and are specifically set aside and dedicated to said purpose. The foregoing limitation and restriction shall not apply or be held to apply to any paying lien certificates issued by the City of New Orleans pursuant to the Constitution or Statutes of the State of Louisiana or the Charter of the City of New Orleans or to any contracts incurred with respect to the furnishing to said City of any essential municipal services such as light, heat, power, water, telephone service and garbage removal or destruction.

The said City may in any calendar year in anticipation of the collection of the taxes of such calendar year, and for the purposes for which such taxes are levied, borrow such sums as shall not be in excess of the amount of its uncollected taxes of such year and such sums shall be payable only out of the taxes of the calendar year in which said loan or loans are first made, and for which indebtedness said revenue shall be pledged, and said indebtedness shall not be payable out of any other funds.

Section 10. Payment of the principal and interest on any and all bonds issued under this article and payment of the expenses mentioned in Section 12 hereof shall be provided for by a tax, without limitation in rate or amount, upon all taxable property in the City of New Orleans sufficient to pay the principal of and interest on said bonds and expenses as they respectively become due. The Board of Liquidation, City Debt shall select its own depository or depositories.

All taxes which may be levied for the payment of said bonds shall, day by day as collected, be paid over to said Board, and shall by it be applied in payment of the principal and interest on said bonds when due, and said taxes and any other revenue in the hands of the Board of Liquidation, City Debt, may be invested as the Board of Liquidation, City Debt, in its sole discretion may determine. In case the said City, at any time, shall fail or neglect to levy and collect said tax, or in case the municipal government of the City should be abolished, or in case present territory of the City of New Orleans should be transferred to other municipal corporations, and no proper and efficient provision is made by law to compel there municipal governments to levy and collect said taxes, or, in case said municipal corporations refuse or neglect to exercise to this end a proper and efficient taxing power bestowed upon them, then, in any of these events, the said Board of Liquidation shall itself, by proper resolution, have power to levy said tax, and to collect the same; and, in said levy and collection, to use any and all the machinery, rights, powers and authority that may be needed for such collection; and in case it should become necessary under the above mentioned or similar circumstances for the said Board of Liquidation to levy and collect said tax, and said Board should refuse or neglect to do so, any court of competent jurisdiction, shall, an application of any bondholder, have power to decree the levy of said special tax throughout the said territory, and to have the same collected by the sheriff, or executive officer of the court, and the proceeds applied to the payment of the interest and principal of said bonds. In case any such decree is entered, the sheriff or executive officer of the court, shall have all the powers, rights and authority that may be needed for such levy and collection.

Said Board shall have the power to sue and be sued, to have a corporate seal, to make reasonable rules and regulations for the conduct of its business, and to employ counsel and administrative personnel. None of its members shall receive any compensation for his services. They shall select a secretary, not a member of the board, who shall hold office at the will and pleasure of the Board. The City of New Orleans shall provide, in the City Hall or elsewhere, proper offices and quarters for said Board and its officers, clerical help, books, records and archives. The salaries, office expenses, counsel fees, and the cost of printing, issuing and delivering bonds under this article shall be paid from the tax levies authorized herein. The Board shall submit to the Council of the City of New Orleans an annual report in detail of all its receipts and expenditures.

Section 11. Any committee member of said Board of Liquidation who removes his domicile from the City of New Orleans, or who is convicted of any felony, or who is declared insolvent or bankrupt, or who becomes incapacitated to perform his duties, shall forfeit his membership, and it shall be the duty of said Board to declare his membership vacant. Any committee member may be removed by a two-thirds vote of the whole Board, for misfeasance, malfeasance in office, or for
neglect of his duties as a member; or he may be removed on
similar grounds by any court of competent jurisdiction at the
suit of any bondholder.

Section 12. In case any one or more committee
members shall become vacant, the Mayor of the City of
New Orleans shall fill such each vacancy by selecting one
committee member from a list of three nominations furnished by the
remaining committee members for each such vacancy.

Section 13. The provisions hereof are self-operative,
and the City of New Orleans and the Board of Liquidation, City
Debt shall carry the same into effect.

Section 14. All of the substantial provisions of
this article are hereby declared to be a contract between
the State of Louisiana, the City of New Orleans, the tax payers
of the said City and each and every holder of said bonds in the
City of New Orleans.

- 9 -

Section 1 - Limitation of Liquidation.
This section has been retained in part and updated.

Section 2 - Line Board of liquidation authority to issue bond for liquidation
as exchange only.
Historical - deleted.

Section 3 - Provided for rolling and cancelling debt at the time and number of
board of liquidation to sell bond at not less than 50 c on the debt,
or c airly bond at not greater than 50 c on the dollar.
Historical - deleted.

Section 4 - Provided for liquidation of all property of the city and necessary proceeds
for extra actions, if necessary.
Historical - deleted.

Section 5 - Transfer of all property of the city, not dedicated for public use,
11 bond of liquidation for proper disposal.
Historical - deleted.

Section 6 - Provided that nothing in the act to affect "Provision Bonds" that
were outstanding at that time and to be treated as separate and additional or
liens dedicated for Provision Bond to the Board of Liquidation.
Historical - bonds entered 1913.

Section 7 - Repealed by L. 1916, Article 25, Section 24.
Debt is a felony, punishable by fine for any person to sell or
redeem, purchase or put into possession of property of the city,
for the purpose of bond or for the benefit of bondholders.
Historical - replaced in later acts.

Section 8 - Fee of surcharge of debt on collection and sale of property to conse-
qny other bonds and have then cancelled.
Historical - all bonds entered 1913.

Section 9 - Provide the number of registration of bonds, as to principal and note,
by cancelling, removing and bonds and naming a certificate of record.
Historical - later acts provide for proper form of registration.

Section 10 - City to provide office space for board of liquidation; office,وفي
and a group of in living, bonds, printing and postage paid out on
false dedicated to bonds of debt, to notify the board of living bonds.
Provided in new draft, but updated.

Section 11 - Council required to levy an annual fee for payment of principal
interest 1 in full than due.
Provided in current draft.

Section 3 - Board to select a final agent and deposit bond proceeds in said bank
in a special account.
Historical.

Section 4 - Provided for payment of bond in order bond and proposed the amount
on which the bond to be given 2.
Historical.

Section 5 - Provided for any one of several transactions with other outstanding
bonds and proposed the amount for which the bond is given 3.
Historical.

Section 6 - Cancel all bonds purchased at a bond and payment in hands.
Historical - these bonds were transferred to Louisiana State Bank
in 1916.

Section 7 - Levy of the 11 debt to pay interest and principal to the Constitution,
and provided for payment in bond of liquidation day by day, a
reduction. Provided for payment to bond to be given 4. In City
sold and for a bondholder to be paid in the event the fund of
liquidation numbered to the sum.
Practically all of this retained in current draft 5, but limited to
1 2, 5, no draft provides unlimited in comm debt service.
Required it.

Section 8 - Provided for the reduction by call of paying bond until 1916 and
after that for redemption by call of the City, bonds, to regular
be divided equally between school board and "New Orleans Public
Improvement fund."
Historical in present bond was retired in 1916 and 1917, proposed
by L. 1916, Article 25, Section 24.

Section 9 - Provided the number of homestead called homestead in 1916.
Historical - all natural.

Section 10 - Provided for copies of out of Public Improvement fund for the city of
15,000 copies, to be given to public, and spread with proper account.
Historical - compiled by later acts.

Section 11 - Provided for 20,000 bond and ":" of bond and ":": 0 of bond.
"The sum of ":" of bond and ":": 0 of bond is divided.
Historical - bond required 20,000.

Section 12 - Provided for the rule for the tax of bonds.
Provided for in Section 9 of Act 6 of 1916 and in Section 3 of new
draft.

Section 13 - Constitutional bonds shall be exempt from taxation for inter, 15th
and current purposes.

Section 14 - Incorporated in Section 4 of new draft but not, to present and
future benefit.

Section 15 - All sections of 16 of 1916 2 and Section between City, by
publishing at City in bond holders of the City, and bond holders.
Section 16 of new draft makes this section.

Section 17 -iest to bonds of order 38 of 1916.
Historical - deleted.

Section 18 - Provided that nothing in Act 16 of 1916 shall suffer or affect,
by any manner, the existing right to be, or before the existing.
"Price of bonds."
Historical, same bonds in other state.

Section 19 - State when provisions are to go into effect and expire all laws
in conflict.
Historical - deleted.
Section 1 - Authorization for City to issue additional bonds as Board of Liquidation may determine.

Section 2 - Priorities for bonds are to be issued, that is when approved by majority in number and amount of property taxpayers.

This Act was amended by Act 370 of Tercentenary of 1970 to allow for property to pass and contentions expired bonds. Also

Section 3 - Authorization to issue bonds.

Included in Section 7 of this draft.

Section 4 - Allow City to issue refunding bonds and payable, limitations.

Included in Section 8 of this draft.

Section 5 - Provides for payment of all indebtedness and principal out of full fund, interest and principal out of 1/2 fund, and out of 1/2 fund. Includes Act 188 of 1970 for School bond and property. Also provides for a tax levy for debt service in 1/2 and 1/2 of 1950 and 1960.

Section 6 - Provides for tax levy for future.

Section 7 - Contains provisions for levy levied by Act 188 of 1970 and Act 6 of 1950 with a provision of 1/2 loading previously dedicated to School bond not dedicated to City bond. That may reduce to the 1/2 loading for the bonds to be issued over and above the City for general purposes. That if in future there is any other bond

Section 8 - Provides for payment of principal and interest in full fund. The City and the proceeds to be collected, which in 1950.

Section 9 - Provides for payment of interest in Cold Field. The City and the proceeds to be collected, which in 1950.

For a period of 10 years included in Section 5 of this draft.

Section 10 - Provides for payment of interest and principal of debt service in full fund.

Provides for in Section 5 of this draft.

Section 11 - Provides for payment of bond by bond and designated in full fund. Payment for in Section 5 of this draft.

Section 12 - Provides for payment of bonds by bond and designated by bond and designated in full fund. Payment for in Section 5 of this draft.

Section 13 - Provides for payment of bonds in full fund. Payment for in Section 5 of this draft.

Section 14 - Provides for a tax levy for a tax levy on property to pass and contentions expired bonds. Also provides for

May 4, 1973

Mr. Chalin Perez, Chairman
Committee on Local and Parochial
Government of the Constitutional Convention
Baton Rouge, Louisiana

Dear Mr. Perez:

It has been brought to our attention that there is some concern in your committee relative to the late of Article XIV, Section 35, entitled "New Orleans: special tax for fire and police departments."

We understand that some assurance has been requested from the City Administration to safeguard the incomes of New Orleans Police and Firemen in the event that this section is deleted from the Constitution.

May this letter then serve as assurance that if Article XIV, Section 35 is deleted from the Constitution, then the City Administration and the Civil Service Commission will implement a revised pay plan for New Orleans Police and Firemen to include the incomes derived from the three (3) mills provided by Article XIV, Section 35.

May we also request that our present level of millage be safeguarded, in the event that your committee delete all sections concerning dedicated millage from the Constitution. We only ask that the City of New Orleans be allowed to determine its own priorities with the resources available to us. Any dedicated revenues in the Constitution only encourage our priority-making capacity.

"An Equal Opportunity Employer"

Mr. Chalin Perez - 2 -

I thank the committee for considering this request and again I wish you good luck in your endeavors.

Sincerely,

Moody Landrieu
Mayor

ML:skm
ce: Honorable Johnny Jackson

Enclosure

May 4, 1973

New Orleans Ex. 70312

Mr. Chalin Perez, Chairman, and
Members, Committee on Local and Parochial Government
Constitution Convention of 1973
Post Office Box 7746-N
Baton Rouge, Louisiana 70803
Dear Mr. Perez and Members:

Enclosed for your consideration is the latest revised draft of the proposed section of the Louisiana Constitution providing for the Board of Liquidation, City Debt.

This draft retains the basic principles of the previous draft and relates such provisions as can be specified at a later date by legislation.

Sincerely,

[Signature]

Secretary

Section 1. The City of New Orleans may issue and negotiate its bonds whenever authorized by ordinance adopted by a vote of two-thirds of all the members of the Council of the City of New Orleans, or its successor as the governing body of said City of New Orleans, and approved by a vote of two-thirds of all the members of the Board of Liquidation, City Debt. If said ordinance is not approved by the Board of Liquidation, City Debt, as herein specified, such election may nonetheless be called if two-thirds of all the members of the Council of the City of New Orleans or its successor as governing body of the City of New Orleans thereafter so vote, provided, however, that the ballot for such election shall contain a clause, approved by the Board of Liquidation, City Debt, that the Board has not approved the submission of the issue to the voters.

In case of fire, flood, pestilence, storm or other public calamity, the City of New Orleans shall have power, by a two-thirds vote of all the members of the Council of the City of New Orleans, or its successor as the governing body of said City, or its governing board of said City, to borrow money and issue and negotiate bonds in such sums as shall be necessary for any such purpose.

Section 2. Payment of the principal of and interest on any and all bonds issued under this article and payment of the expenses mentioned in Section 3 hereof shall be provided for by a tax, without limitation in rate or amount, upon all taxable property in the City of New Orleans sufficient to pay the principal of and interest on said bonds and expenses as they respectively become due. Such taxes shall, day by day as collected, be paid over to the Board of Liquidation, City Debt, and shall by it be applied in payment of the principal of and interest on said bonds and for the purpose of collecting the same, do to said levy and collection, to use any and all the machinery, rights, powers and authority that may be needed for such collection.

Section 3. Except as provided in Section 1 of this article, the City of New Orleans shall not borrow money, issue bonds or other evidences of indebtedness or pledge its credit or anticipate the collection of any of its taxes or shall the City make any contract or incur any debt or obligation for any purpose whatsoever unless sufficient funds, not otherwise appropriated, to pay and discharge same are actually available to the treasurer of said City at the time of making the contract or incurring the debt or obligation and are specifically set aside and dedicated to said purpose. The foregoing limitation and restriction shall not apply or be held to apply to

(a) paving lien or other special assessment bonds or certificates issued pursuant to the statutes of the State of Louisiana or the charter of the City of New Orleans, whether or not additionally secured by a pledge of the faith and credit of the City;

(b) contracts incurred with respect to the furnishing to said City of any essential municipal services such as light, heat, power, water, telephone service and garbage removal or destruction;

(c) borrowings in any calendar year in anticipation of the collection of the taxes for such calendar year, and for the purposes for which such taxes are levied, payable only out of such taxes; and

(d) refunding bonds.

Section 4. The Board of Liquidation, City Debt, consisting of the permanent committee of six citizens of said City, the Mayor, and the two at-large Councilmen shall select their successors in office at any given time, shall continue to be in existence while any bonds authorized by this article are outstanding and unpaid, shall be a body politic and corporate, and, except as provided in Section 1, shall have exclusive control and direction of all matters relating to the bonds authorized in said section.

In case any one or more committee memberships shall become vacant, the mayor of the City of New Orleans shall fill each such vacancy by selecting one committee member from a list of three nominations furnished by the remaining committee members for each such vacancy.

Any committee member of said Board of Liquidation who removers his domicile from the City of New Orleans, or who is convicted of any felony, or who is declared insane or bankrupt, or who becomes incapacitated to perform his duties, shall forfeit his membership, and it shall be the duty of said Board to declare his membership vacant. Any committee member may be removed by a two-thirds vote of the whole Board, for misfeasance, malfeasance in office, or for neglect of his duties as a member; or he may be removed on similar grounds by any court of competent jurisdiction at the suit of any bondholder.

Said Board shall have the power to sue and be sued, to have corporate seal, to make reasonable rules and regulations for the conduct of its business, and to employ clerical and administrative personnel. None of its members shall receive any compensation for his services. They shall select a secretary, not a member of the Board, who shall hold office at the will and pleasure of the Board. The City of New Orleans shall provide, in the City Hall or elsewhere, proper offices and quarters for said Board and its officers, clerical help, books, records and archives. The salaries, office expenses, counsel fees, and the cost of printing, issuing and delivering bonds under this article shall be paid from the tax levy authorized herein. The Board shall submit to the Council of the City of New Orleans an annual report in detail of all its receipts and expenditures.

Section 5. The Legislature may enact general laws, or special laws applicable solely to the City of New Orleans, consistent with this article in order to prescribe additional provisions with respect to the issuance of bonds by the City and otherwise to carry out the authority herein granted.

ST. JAMES BANK & TRUST COMPANY
May 15, 1973

Committee on Local and Parochial Government
Constitutional Convention
State of Louisiana
P. O. Box 1976
Baton Rouge, Louisiana 70803

Gentlemen:

It is my understanding that your committee has taken a position that may cause some economic problems to the residents of St. James Parish. This is in reference to your committee attempting to exclude the South Louisiana Port Commission and only reconstituting the Port Authorities of New Orleans, Baton Rouge and Lake Charles.

Our South Louisiana Port Commission is the authority for not only St. James, but also St. John and St. Charles Parishes as well. It is very obvious as to the uniqueness and desirable location of this authority area, mid-way between New Orleans and Baton Rouge. It is reasonable to assume that any growth would most certainly encompass this area. It is common knowledge that to be treated differently in the new constitution will certainly put this authority at a disadvantage.

Everyone realizes the importance of your committee, especially in your attempt to reduce the size of the constitution. Still it would certainly be an oversight to leave out an area so ideally located.

Please consider the future possibilities of growth in our state and also consider St. James Parish and the South Louisiana Port Commission.

Sincerely,

[Signature]

President

[255]
HONORABLE CHAIN O. PEREZ, PRESIDENT
PLACENTINES PARISH COMMISSION COUNCIL
231 GRAY STREET
NEW ORLEANS, LOUISIANA 70112

DEPARTMENT OF THE ARMY
NEW ORLEANS DISTRICT, CORPS OF ENGINEERS
P. O. BOX 60267
NEW ORLEANS, LOUISIANA 70160

LMMEX
15 May 1973

Honorable Chain O. Perez, President
Plaquemines Parish Commission Council
821 Gray Street
New Orleans, Louisiana 70112

Dear Chain:

Attached is a copy of a presentation I prepared and presented to Senator Lambert's Natural Resources and Environmental Committee at the Constitutional Convention on 7 May 1973.

Colonel Hunt had been asked to appear but was not able to due to the present high-water business. The presentation was apparently well received. Some questions followed--the most important of which was whether we felt it essential that all levee boards be included in the constitution or whether we could operate satisfactorily in the manner in which they are now set up. I responded to the effect that our principal interest was that levee boards working with us and acting as assuring agencies on projects should be so constituted that their authorities could not be easily changed with change in the political wind. I did state specifically that we would anticipate no problem if they were included in the constitution.

Sincerely yours,

W. B. Dodd
Executive Assistant

I incl
As stated

"THIS COUNTRY WAS REMINISHED THIS YEAR THAT RECORD FLOODS ARE STILL POSSIBLE. A COORDINATED, WELL-MAINTAINED SYSTEM OF PROTECTIVE WORKS IS JUST AS NECESSARY TODAY IN THE LOWER VALLEY AS IT WAS, SAY IN 1927. MORESO, BECAUSE OF THE GREAT HAZARD TO PROPERTY AND LIFE IN VIEW OF THE BUILD-UP WHICH HAS TAKEN PLACE SINCE THAT TIME.

"I HAVE TAKEN OFFICIAL NOTICE OF THE CURRENT RIVER STAGES WHICH ARE SONE 8-10 FEET ABOVE THEIR 'NORMAL' LEVELS. WITH SUCH A HIGH-STATE STARTING POINT, IF WE HAVE JUST NORMAL WINTER RAINS AND SNOWS IN THE VAST AREA DRAINED BY THE MISSISSIPPI RIVER, THEN THE MAIN STEM OF THE MISSISSIPPI MAY WELL BE AT OVERBAN STAGES NEXT SPRING. THIS RAISES THE POSSIBILITY THAT GIVEN ENOUGH RIVER STAGES, WE MAY BE USING THE HUNNET CARRE FLOODWAY JUST ABOVE NEW ORLEANS FOR THE FIRST TIME IN 22 YEARS. IF INSTEAD OF JUST NORMAL WINTER RAINS WE HAVE UNUSUALLY HEAVY RAINS AND RAPID SNOW RUNOFF, THEN WE MUST BE PREPARED FOR A VERY TURBULENT SPRING SEASON." END OF QUOTE.

WE HAVE HAD UNUSUALLY HEAVY RAIN THROUGHOUT THE MISSISSIPPI RIVER WATERSHED AND THIS SPRING, TO PUT IT MILDLY, HAS BEEN "TURBULENT." LOUISIANA IS BEING SUBJECTED TO WHAT MAY WELL TURN OUT TO BE ITS WORST FLOOD IN HISTORY.

BUT--THE AREAS DESIGNED TO BE PROTECTED BY THE WORLD'S GREATEST MANMADE FLOOD CONTROL SYSTEM, THE MISSISSIPPI RIVER AND TRIBUTARIES PROJECT, ARE BEING PROTECTED AND A GREAT DEAL OF CREDIT FOR THIS ACCOMPLISHMENT IN LOUISIANA IS DUE TO THE LOUISIANA LEVEE BOARDS AS THEY ARE NOW CONSTITUTED.


AND WE MUST SAY FROM THE CORPS OF ENGINEERS STANDPOINT THE LOUISIANA LEVEE BOARDS HAVE, TO AN OVERWHELMING DEGREE, MET THE RESPONSIBILITIES IMPOSED BY FEDERAL LAW ADmirably. FACTUALLY, THE LOUISIANA SYSTEM OF LEVEE BOARD OPERATION, WITH THE TECHNICAL ENGINEERING GUIDANCE OF THE LOUISIANA DEPARTMENT OF PUBLIC WORKS, IS THE ENVY OF ALL CORPS DISTRICTS.

WE BELIEVE THAT THE SECRET OF THE EFFECTIVENESS OF THE LOUISIANA LEVEE BOARDS LIES IN THE FACT THAT THEY ARE COMPOSED OF LOCAL PEOPLE WHO ARE FAMILIAR WITH LOCAL CONDITIONS, LOCAL PROBLEMS AND NEEDS, AND THE LOCAL PEOPLE THEY HAVE TO DEAL WITH. THAT THEY KNOW WHO TO GO TO LOCALLY FOR WHATEVER IS NEEDED UNDER ANY PARTICULAR SET OF CIRCUMSTANCES; THAT THEY ARE MOTIVATED BY THE REQUIREMENTS TO PROTECT THEIR PEOPLE AND; THAT THEY OPERATE UNDER ESTABLISHED LAWS THAT ARE WELL KNOWN AND NOT SUBJECT TO CHANGE WITH EACH SHIFT OF POLITICAL WINDS.

AND WE WOULD LIKE TO ASSURE YOU THAT AT NO TIME HAS THE EFFECTIVENESS OF THE LOUISIANA LEVEE BOARDS BEEN MORE EVIDENT THAN DURING THE EXISTING HIGH-WATER CRISIS. FACTUALLY, WE--THE CORPS, THE LEVEE BOARDS, AND THE DEPARTMENT OF PUBLIC WORKS MOVED INTO A TEAM-TYPE OPERATION WITH THE COMING OF HIGH WATER THAT COULD ONLY COME INTO BEING THROUGH A COMPLETE AND LONG-TIME FAMILIARITY WITH EACH OTHER'S
I have only mentioned those Levee boards involved in the Mississippi River and Tributaries project today, primarily because this is the project of major interest at the moment. There are other levee boards on the Red River, the Ouachita and the Black, and elsewhere in the State. Our experience with them has been as favorable as with those on the Mississippi. We are glad they are all available and functioning, both during low- and high-water times.

The Board of Levee Commissioners
Orleans Levee District
New Orleans, La.
70110
May 16, 1973

The Honorable Culin O. Perez, Chairman
Local & Parochial Government Committee
Constitutional Convention 1973
1800 Commerce Building
801 Gravier Street
New Orleans, Louisiana 70112

Dear Mr. Perez:

Several events have occurred since I was allowed to testify to your committee, which bear directly upon my original testimony.
The first of these is the large flood fight that Levee Boards have been conducting across the state. In the case of the Orleans Levee Board we have already spent in excess of $150,000 unbudgeted dollars with the likelihood of expending an additional $100,000. This unexpected expenditure points out the need for Levee Boards to be able to raise emergency funds when necessary without having to wait for legislative or voter approval.

Subject, of course, to certain rules and regulations boards required to spend large sums to fight an unexpected emergency such as a high river or hurricane flood should have some right to declare an emergency, or have the Governor declare an emergency, so that they could increase their taxing power to cover funds spent in the emergency.

The second event now occurring places emphasis upon my suggestion that the right of Levee boards to raise and spend their funds be protected by the Constitution. Several bills have been entered, or plan to be entered, in this legislative session which would transfer vast funds from the Orleans Levee Board to other agencies. The possibility of such legislation passing during this year of a record flood is small, but there is a real possibility of the passage of such legislation after four, five or ten years without the occurrence of this danger from flooding.

This points out the need to protect the Orleans Levee Board's funds by placing the funds under some protection requiring 2/3 or 3/4 vote of the legislature to change.

Respectfully submitted,

[Signature]

President

GFL/jen

cc: All Committee Members

May 15, 1973

Honorable Chalin O. Perez, Chairman
Committee on Local and Parochial Government
State of Louisiana
P.O. Box 17744
Baton Rouge, Louisiana 70803

Dear Mr. Perez:

Attached is certified copy of a resolution adopted by the South Louisiana Port Commission at its regular meeting held on the 6th day of May 1973. The resolution ratifies the appearance of the undersigned before the Committee on Local and Parochial Government and makes formal request that the South Louisiana Port Commission retain in the new Louisiana Constitution, the resolution further sets forth the reasons for this request.

We will welcome the opportunity to meet with you for the purpose of furnishing any additional information that may be needed.

Your favorable consideration will be appreciated.

Yours truly,

S. E. Creel
President

The following resolution was offered by Mr. Cannon and seconded by Mr. Alexander:

RESOLUTION

A resolution ratifying the appearance of the President of the South Louisiana Port Commission before the Committee on Local and Parochial Government and making formal request upon said Committee to retain the authority of the South Louisiana Port Commission in the proposed new Louisiana Constitution.

WHEREAS, at the request of the Committee on Local and Parochial Government, the President of this Commission appeared before said Committee on March 17, 1973, for the purpose of expressing the views of this Commission officially in writing on the proposed revisions to the Louisiana Constitution relative to the organization and authority of ports and port commissions; and

WHEREAS, this Commission desires to ratify and confirm the statements and recommendations made by its President, S. E. Creel, to said Committee and the written statement presented to said Committee; and

WHEREAS, this Commission has learned that the Committee on Local and Parochial Government will recommend that the provisions of Article V, Section 311 of the Louisiana Constitution for the year 1921, as amended, be deleted from the proposed new Louisiana Constitution and that said provisions be incorporated in a legislative enactment, without constitutional sanction; and

WHEREAS, this Commission further understands that the said Committee on Local and Parochial Government has recommended that the authority of the Lake Charles Harbor and Terminal District, the Greater Seacoast Port Commission, and the Board of Commissioners of the Port of New Orleans be retained in the proposed new Louisiana Constitution and that all constitutional provisions pertaining to the remaining port commissions and port authorities be codified in this State be deleted from the new Louisiana Constitution; and
WISCONSIN, this Commission is of the opinion that its corporate boundaries, present location, the existing industrial development and potential area for industrial growth and development within its boundaries, are such that its authority and power should stem from the Wisconsin Constitution, rather than from its legislative enactment, and that this Commission should be placed on an equal basis with the Greater Baton Rouge Port Commission and the Board of Commissioners of the Port of New Orleans; and

WILLAMETTE, this Commission desires to present this resolution to the Committee on Local and Parochial Government with a request that said Committee reconsider its position and include in the proposed new Louisiana Constitution the organization and authority of the South Louisiana Port Commission;

NOW, THEREFORE, BE IT RESOLVED, by the South Louisiana Port Commission;

Section 1. That the oral declarations and written statements presented by the President of this Commission to the Committee on Local and Parochial Government on March 17, 1973, at the request of said Committee, be and the same are hereby ratified and confirmed.

Section 2. That formal request be and the same is hereby made upon the Committee on Local and Parochial Government to retain in the proposed new Louisiana Constitution all of the provisions of Article VI, Section 33.1 of the Louisiana Constitution for the year 1971, as amended, being the present constitutional authority for the organization, authority and powers of the South Louisiana Port Commission.

Section 3. That in support of the position taken by this Commission in Section 2 of this resolution, the Committee on Local and Parochial Government is requested and urged to consider the following:

(a) The South Louisiana Port Commission lies between the southern boundary line of the Greater Baton Rouge Port Commission and the northern boundary line of the Port of New Orleans and encompasses both the east and west bank of the Mississippi River between the aforesaid northern and southern boundaries.

(b) The South Louisiana Port Commission is a multi-parish commission comprising the Parishes of St. Charles, St. John the Baptist and St. James. The only other multi-parish port authorities in the State of Louisiana are those three which the Committee on Local and Parochial Government has recommended for inclusion in the proposed new Louisiana Constitution and it is discriminatory to exclude the sole remaining multi-parish port commission.

(c) The South Louisiana Port Commission will be placed at a serious disadvantage, both economically and financially, with the Baton Rouge and Orleans port authorities, both of which will be constitutionally created port authorities.

(d) The area remaining along the Mississippi River which is feasible for port development lies solely within the jurisdiction of the South Louisiana Port Commission and it is to the economic benefit and advantage of this State that said area be treated equally with already developed port areas located to the north and to the south.

(e) There is presently located within the geographical boundaries of the South Louisiana Port Commission high industrial developments, all of which are continuing to expand, and the investment values thereof probably exceed all other industrial plants and facilities located in other port authorities of the State. To place the South Louisiana Port Commission at a significant disadvantage by granting it less constitutional authority than the other three major port commissions will retard and diminish the economic growth and development of the three parish areas.

Section 4. That the President of this Commission be and he is hereby directed to forward a certified copy of this resolution to each member of the Committee on Local and Parochial Government.

YEA:  Lesperance, Cresel, Alexander, Cubre, LeDoeuf, Jurell, Smith, Falasse, Diantrousse

NAY: Gene

And the resolution was declared adopted on this, the 8th day of May, 1973.

[Signature]
Secretary

STATE OF LOUISIANA
PARISH OF ST. JOHN THE BAPTIST

I, the undersigned Secretary of the South Louisiana Port Commission, do hereby certify that the foregoing 11 (A) pages constitute a true and correct copy of a resolution adopted by said Port Commission on May 8, 1973, ratifying the appearance of the President of the South Louisiana Port Commission before the Committee on Local and Parochial Government and making formal request upon said Committee to retain the authority of the South Louisiana Port Commission in the proposed new Louisiana Constitution.

In faith whereof, witness my official signature and the impress of the official seal of said Port Commission at Laplace, Louisiana, on this, the 8th day of May, 1973.

[Signature]
Secretary

STATE OF LOUISIANA CONSTITUTIONAL CONVENTION OF 1973 P.O. BOX 868 BATON ROUGE LOUISIANA 70821 TELEPHONE 181-7933

Mrs. M. D. Davis
Secretary

Mr. Fred G. Benton, Sr.
Benton, Benton & Dodson
114 St. Louis Street
Baton Rouge, Louisiana

May 22, 1973

I. This letter will confirm the request by me, as Chairman of the Committee on Local and Parochial Government and concurred in by the full committee, that you coordinate the review and preparation of provisions to be included in the new constitution relative to municipal and parochial finances.

An agreement by a number of the bond lawyers at an earlier meeting of the committee, indicated they would form a voluntary committee to recommend certain proposals for bond issues, taxes, and other related revenue matters for inclusion in the new constitution.

I would request that you contact the other bond attorneys who may want to assist you in this project, and further request that you report back to the committee at your earliest convenience.

Sincerely yours,

[Signature]
Chairman
Committee on Local and Parochial Government

[259]
Mr. Chalan Perez, and Members of the Municipal & Parochial Affairs Committee of C.C. 73.

Ladies and Gentlemen, I would like to present to you in writing certain objections that I have in the proposal drafted by the Subcommittee on Local and Parochial Government, I will be unable to be at the meetings on June 1 and June 2, of 1973, but would appreciate you not taking final action on these parts of this draft that I have some problems with at this time, namely:

Section 6 (Lines 5 through 23)  (Page 4)
Section 7 (Lines 6 through 35)  (Page 5)
Section 7 (Lines 1 through 23)  (Page 6)
Section 7 (Lines 1 through 9)  (Page 7)
Section 9 (Lines 6 through 14)  (Page 8)

All other sections, I believe, will be good proposals and I have no objections to. I am enclosing a prepared amendment that I would like to submit to the Committee in order to correct the above objections.

Thanks for your consideration and attention.

Yours very truly,

Eddie C’gerolamo

PARISHES AND MUNICIPALITIES; CHARTERS AND POWERS; HOME RULE

Article Section

A. The electors of any parish, municipality, or other unit of local government authorized by law to perform governmental functions may draft, adopt, or amend a charter of government to be known as a home rule charter in accordance with the provisions of this section. The governing authority of such parish, municipality, or other unit of local government may appoint a commission to prepare and propose a charter, or may call an election for the purpose of electing such a commission in accordance with the primary and general election laws of the state. The legislature shall provide by general law for the implementation of this section.

B. The governing authority of any such parish, municipality, or other unit of local government shall call an election for the purpose of electing a commission to prepare and propose a charter or alternate charter when it is presented with a petition signed by not less than twenty percent of the qualified electors who live within the boundaries of the affected parish, municipality, or other unit of local government, as certified by the registrar of voters. A home rule charter shall be adopted when approved by a majority of the qualified electors voting on the charter proposal at an election to be called and held in accordance with the general election laws of this state.

C. Pursuant to such home rule charters, parishes and municipalities have complete freedom to select their form of government and to regulate and legislate, either in the charter itself or by subsequent ordinance, as to all matters of a local and special nature.

D. The legislature shall pass no local and special legislation affecting any home rule parish or municipality with the exception of those dealing with pension and retirement benefits unless there
is exhibited to the legislature evidence that the governing authority of the parish or municipalities affected has no objection thereto. Such evidence shall consist of appropriate certification from the official secretary or clerk of the governing authority involved.

2. The provisions of this constitution and of any general laws passed by the legislature shall be paramount and no parish or municipality shall exercise any power or authority which is inconsistent or in conflict therewith. The sovereignty of the state and its legislature is not to be diminished by this home rule grant to local governments and their authority is extended only as herein clearly defined. The prerogatives as to the need for a general law, as opposed to one purely local and special, the defining thereof and its enactment is hereby reserved to the legislature.

F. Parishes, municipalities, or other units of local government do not have the power (1) to incur debt payable from ad valorem tax receipts exceeding more than forty years from the time it is incurred; (2) to define and provide for the punishment of a felony; or (3) to enact private or civil laws governing civil relationships.

G. Parishes, municipalities, or other units of local government shall have only the power that the legislature may provide by law to levy and collect occupational license taxes upon or measured by income or earnings.

H. The legislature may not deny or limit the power of parishes, municipalities, or other units of local government (1) to make local improvements by special assessment and to exercise this power jointly with other parishes and municipalities, and other classes of units of local government having that power on the effective date of this constitution unless that power is subsequently denied by law to any such other units of local government; or (2) to levy or impose additional taxes upon areas within their boundaries in the manner provided by law for the provision of special services to those areas and for the payment of debt incurred in order to provide those special services.

I. Nothing herein shall be construed as affecting existing local and special legislation, nor existing charters of local governments affected hereby. Specifically, the plans of government and home rule charters of the parishes of East Baton Rouge, Jefferson, and Plaquemines and of the Cities of New Orleans, Baton Rouge, and Shreveport shall remain in effect until amended, modified, or repealed as provided therein. Each of these local governmental units shall retain the authority and powers granted, and shall be subject to the duties imposed by the applicable constitutional provisions under which their respective plans or charters were adopted. However, it is intended that the legal relationship between general state laws and local laws and ordinances of all home rule local governments, whether already established or hereafter conferred be uniform and as heretofore defined.

Standard Lodge No. 1235

Affiliated with A.T.O., S.B.O., and C.C.
OFFICERS

Henry C. Schindler, Jr.
Ray H. Gonzalez
Valentine Briscoe
Raymond B. McDougall
Anthony A. Fernandez, Jr.

MEMBERS

Bernard A. Obertz
Ray H. Gonzalez
Roy Richardson
Henry C. Schindler, Jr.
Ray H. Gonzalez

EXTRACT OF THE OFFICIAL PROCEEDINGS OF THE POLICE JURY OF THE PARISH OF ST. BERNARD, STATE OF LOUISIANA, TAKEN AT A SPECIAL MEETING HELD AT CHALMETTE, LOUISIANA, IN THE POLICE JURY ROOM OF THE COURTHOUSE ANNEX, ON TUESDAY, MAY 8, 1973, AT ELEVEN (11:00) O'CLOCK A.M.

On motion of Mr. Gonzalez, seconded by Mr. Melaric, and unanimously carried, it was moved jointly that the St. Bernard Parish Police Jury, as the governing authority of the Parish of St. Bernard, request the Local and Parochial Government Committee of the Constitutional Convention to support the Ford a Plan or method of government whereby local governments could exercise the powers not specifically denied to them by state law.

It was further moved to request all other Police Juries to join with St. Bernard Parish in this request.

And the motion was declared adopted on the 8th day of May, 1973.

CERTIFICATE

I CERTIFY that the above is a true and correct copy of a motion adopted by the St. Bernard Parish Police Jury at a Special Meeting held at Chalmette, Louisiana, in the Police Jury Room on the 8th day of May, 1973.


[Signature]

John T. Mcler
May, 1973

[Seal]
June 30, 1973

Mr. Chalin Perez, Chairman
Local and Parochial Government Committee
Thibodaux, LA

Dear Mr. Perez:

The other two Councils of the City of Thibodaux, Bertrand F. Nekew, and Joe H. Silversberg, join me in expressing the appreciation of the Thibodaux citizens for the excellent job you and your committee did in drafting the constitutional article on local and parochial government.

Like most good things dealing with civil affairs, we find your article to be comprehensive, flexible, fair, and reasonable; however, I would like to take this opportunity to point out one flaw in the language which could haunt our local government.

I am hopeful that you will be able to amend that part of section 14 which allows the legislature to impose financial obligations upon political subdivisions for certain classes of personnel pay and benefits. I believe we opposed that same obligation when I appeared before your committee some months ago.

If I can be of any assistance to you in the further development of this constitutional article, please do not hesitate to call on me, or Mr. Silversberg, or Mr. Nekew.

Sincerely,

[Signature]

Mayor

City of Thibodaux
Office of the Mayor

August 23, 1973

Mr. Chalin Perez, Chairman
and Members of the Local and Parochial Government Committee - CC'73

CONGRATULATIONS........

The Committee Proposal you have submitted clearly provides an unprecedented degree of Home Rule to the parishes and cities of Louisiana. Your proposal grants to political subdivisions the flexibility and independence required to govern themselves in a responsive and responsible manner. This is a fair and reasonable allocation of authority to local governing bodies. For this I commend and thank the Committee.

However, I do object to that part of Section 14, which allows the Legislature to impose financial obligations upon political subdivisions for certain classes of personnel pay and benefits. This exception is clearly inconsistent with the Home Rule ideal. It gives preferential treatment to some employees over others. It prevents local governing authorities from determining their own financial priorities. And finally, it is unfair to the local populous, who pay those salaries and benefits, to circumvent their authority by Legislative mandates.

As I have stated before, the Local Government Proposal is a good proposal and as Mayor of New Orleans I thank the Committee. I only urge that you reconsider Section 14 and make it consistent with the rest of your fine work.

Sincerely,

[Signature]

Mayor

City of New Orleans
Office of the Mayor

August 21, 1973

Hon. Chalin G. Perez, Chairman
Committee on Local and Parochial Government--CC-73
P. O. Box 44673
Baton Rouge, La. 70804

Gentlemen:

We have been informed that there will be extensive meetings of your Committee on June 28-29-30.

You and your wives are still invited to spend a day in the French Quarter. We can start the day later, at 3 or 3:30 p.m. We would meet first in the Assembly Room of the Presbytere, take a walking/riding tour, and finish the evening with a progressive dinner at several homes.

If your sessions last all day, we could start with the evening's social event, and follow up with the walking/riding tour on Sunday morning.

Complimentary hotel accommodations will be arranged for anyone who wishes to come. Please join us to ensure the survival of the Vieux Carre. We look forward to seein and meeting you on June 30th!

Most cordially,

[Signature]

[Name]

John C. Dadd III, President
Vieux Carre Property Owners & Associates Inc.
P. O. Box 2485
New Orleans, La. 70176

You may RSVP at 526-6356 -- Lois Kirkpatrick, Sec., Vieux Carre Action Association.
Dear Mr. Perez:

In recent years the state of Arizona has looked closely at the position of local government in our state, particularly that of county government. As a result, a great deal of interest and emphasis has been placed on the possible reorganization of county government.

The House Committee on Government Operations which I chair has initiated several studies and projects in this area and at this point I am looking for all information available on the subject of county government.

As a county supporter and committee chairman in charge of these projects, I would deeply appreciate any information you have available in this area. We are particularly interested in data regarding county organization, finance, powers, charters, and home rule. Also, any list of people whom we could contact for further information would be appreciated.

Thank you for your assistance, and should you have any questions, please feel free to contact me at my office in Phoenix.

Sincerely,

Ray Everett
Chairman
Government Operations Committee

RES: 81m

Mr. Ray Everett, Chairman
Government Operations Committee
House Wing, Room 101
1700 West Washington
Phoenix, Arizona 85007

Dear Mr. Everett:

Mr. Chalin Perez, chairman of the Committee on Local and Parochial Government, has requested us to acknowledge receipt of your letter dated September 7, 1973.

Your letter arrived a few days before the convention began debate on the Local Government proposal. I delayed responding in hope that the proposal would be adopted within two to three weeks so that we could send you a copy of it with our response. However, after finishing debate on the general provisions last week, the convention deferred action on the finance provisions until the property tax proposal of the Revenue, Finance and Taxation Committee is adopted. Therefore, it will be several more weeks, maybe a month, before the Local Government proposal will be finally adopted.

After completion of the entire proposal, we will send you a copy of the proposal as introducted and as adopted. The committee proposal contained strong home rule provisions. A comparison of the two documents will give you insight into how far the convention was willing to go in granting home rule powers. The issue was debated at length on the convention floor.

Please forgive our delay in responding. We will send you the information as soon as it is available.

Sincerely,

Stephen A. Glassell
Senior Research Assistant
CC/73

Representative Ray Everett
Arizona House of Representatives
House Wing, Room 303
1700 West Washington
Phoenix, Arizona 85007

Dear Mr. Everett:

In a letter dated October 8, 1973, I indicated that I would send you a copy of the Local Government Proposal as introduced and as finally adopted by the Convention.

These two documents are enclosed herewith.

Best wishes in your study.

Sincerely yours,

Stephen A. Glassell
Senior Research Assistant

THE UNIVERSITY OF UTAH
SALT LAKE CITY 84112

College of Law

September 10, 1973

Mr. Gene F. Tarver
Research Coordinator
State of Louisiana
Constitutional Convention of 1973
P. O. Box 17740-A
Baton Rouge, Louisiana 70803

Dear Mr. Tarver:

This is in response to your letter of August 28 and the enclosed copy of Committee Proposal No. 17 of the Constitutional Convention of Louisiana of 1973. I am pleased that you and Mr. Lanier think that I might be helpful. I do assure you of my lively desire to do so.

It is, of course, pleasing to me to note that account has been taken of some of my notions in the draft of Committee Proposal No. 17.

In general, the proposal reflects a real effort to deal with the subject of local government thoroughly. I have no doubt that the Committee is keenly concerned to make a significant move forward in policy-making at the constitutional level with respect to local government.

In the light of all this I am greatly distressed that my basic approach to the subject does not consist with specific and detailed commentary upon the draft proposal. In a word, I think that the constitutional treatment should be in very broad, basic terms with much greater dependence upon the state legislative institution, as distinguished from policy determination at the constitutional level. Of course, I am aware of the experience of Louisiana in spelling things out in the Constitution. I see the constitutional convention as an opportunity to make a bold and strong effort to get away from pleriticale legislation in the organic law and to make a basic move toward more truly representative government with respect to the local level and state-local relations.
Let me refer to one or two particular items in the field of public finance. It seems to me that it would be quite ill-advised to put details into the Constitution about municipal bonds. This is an evolving subject which ought to be the ongoing concern of representative bodies at the state and local levels. If, for example, you were to put into the Constitution a requirement for the levy of an ad valorem tax to provide for amortisation of general obligation municipal bonds, you would be committing the state to a policy which is an imposing challenge. It is my own judgment, as a student of the subject, that the time has come for the states to break away from long-range commitment of ad valorem property taxation in support of general obligation bonds in order that there be genuine obligation municipals on a footing somewhat like that of most state and federal bonds, that is, that they be not supported by the commitment of any particular tax. This parallels what has taken place in private corporate finance in the form of shifting away from bonds secured by mortgage upon corporate properties to debentures which rest upon the general credit of the borrowing unit.

I suggest again that it is time to get rid of constitutional limitations upon local borrowing and to leave the regulation of the subject to the state legislature. We are much more knowledgeable and studied about this subject than were people of the generation during whose time constitutional debt limitations proliferated.

What I hope that the Committee will consider is the recasting of the draft in simple, brief, broad terms such as has been attempted in my model provisions and in the model state constitution.

I am emboldened to say that the central problem in state constitutional revision generally is the strengthening of the basic institution of representative government, namely, the state legislature.

Sincerely,

Jefferson D. Fordham

Mr. Gene F. Tarver
Page Two
September 10, 1973

Mr. Walter L. Lanier

ST. MARY PARISH
SALES AND USE TAX DEPT.

P. O. Box 1162
Morgan City, La. 70350

Dear Walter:

In reference to our past discussions concerning the articles on local and parochial governments, please be advised that I received the changes that we talked about. I forwarded a copy of those changes to Mr. John Cox, our legal advisor, for his consideration.

Enclosed is a copy of his reply which may be of interest to you and your committee.

With best regards,

Thaddeus Marcell

Enclosure

Mr. Walter L. Lanier, Jr.

STATE OF LOUISIANA CONSTITUTIONAL CONVENTION OF 1973 P.O. BOX 17142 RANNOU ROUGE, LOUISIANA 70112

October 10, 1973

Mr. John W. Cox
707 First National Bank of Commerce Building
New Orleans, Louisiana 70112

Dear Mr. Cox:

We are in receipt of your letter of September 25, 1973, and Mr. Thaddeus Marcell has forwarded us a copy of your letter of September 27, 1973, in which you make certain suggestions relative to the sales tax provision included in the proposal of the Committee on Local and Parochial Government of the Constitutional Convention.

Having read your letters we can understand the problems posed and would request, if at all possible, that you draft a Section 34 providing for the levying of a local sales tax. We would welcome any proposed solution you might have to this problem. We might point out that removing the three percent limitation might not be politically feasible.

Sincerely yours,

Thaddeus J. Marcell

P. O. Box 1162
Morgan City, Louisiana 70350

Mr. Walter L. Lanier

October 1, 1973

Mr. Walter L. Lanier, Jr.

P. D. Box 648
Thibodaux, La. 70301

Dear Mr. Lanier:

We are in receipt of your letter of September 25, 1973, and Mr. Thaddeus Marcell has forwarded us a copy of your letter of September 27, 1973, in which you make certain suggestions relative to the sales tax provision included in the proposal of the Committee on Local and Parochial Government of the Constitutional Convention.

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Mr. John W. Cox

707 First National Bank of Commerce Building
New Orleans, Louisiana 70112

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Having read your letters we can understand the problems posed and would request, if at all possible, that you draft a Section 34 providing for the levying of a local sales tax. We would welcome any proposed solution you might have to this problem. We might point out that removing the three percent limitation might not be politically feasible.

Sincerely yours,

Mr. John W. Cox

707 First National Bank of Commerce Building
New Orleans, Louisiana 70112

Dear Mr. Lanier:

Thank you for furnishing us with a copy of the amended proposal of the Committee on Local and Parochial Government dealing with sales and use taxes. As per our telephone conversation of Thursday, September 27, 1973, we wish to point out that the effort which has been made under Subsection (6) of the new proposal to provide a qualifying provision or escape clause with respect to the 3% limitation contained under Subsection (4) presents a problem of proper legal draftsmanship. As you have so very aptly pointed out, the 3% limitation should not even appear in the Constitution, hence, should the Convention wish it necessary to place such limitations in the new document, then any escape clause or qualifying provision should be placed under the same subsection and in fact, in the same sentence or phrase in which the limitation appears. Even if the qualifying provision or escape clause provided, for example, a two-thirds vote of the legislature to impose additional sales tax authority, the role of good legal draftsmanship would dictate that the subject matter be handled under the same subsection and in the same sentence or phrase in which the 3% limitation appears.

The provision contained under proposed Subsection (6) permitting the legislature to impose unlimited sales tax exemptions, has no place in the new Constitution. Rather, if anything should be placed in the new document concerning sales tax, it should be a provision imposing a general prohibition upon a reduction or impairment of the tax base by which sales tax bond issues are secured. While a conceivable effort has been made to remedy the problem created under Subsection (6) of the prepared section, through the insertion of Subsection (5), it would be desirable to go our
Government, we discussed the provisions of Section 35 dealing with local sales and use taxes which in its present form would have the practical effect of making it impossible for Louisiana municipalities, parishes and school boards to sell sales tax bonds unless changes are made. The Convention. Paragraph (C) of Section 33 of the report would confer constitutional authority upon the legislature to exempt or exclude sales tax revenues on personal property from local sales and use taxes. This provision would make the future revenues of the sales tax uncertain and possible non-existent and, of course, no bond purchaser would accept such questionable security for a bond issue.

As you know, the voters of the City of Lafayette earlier this year approved the issuance of $57,000,000 of sales tax bonds, R.S. 33:2717-4 (a portion of the bond statute under which these bonds would be issued) provides as follows:

"DISCONTINUANCE OR DECREASES OF TAX PROHIBITED

When any bonds shall have been issued hereunder, neither the Legislature of Louisiana or the municipality may discontinue or decrease the tax or permit same to be discontinued or decreased in anticipation of the collection of which such bonds have been issued, or in any way make any change in the allocation of the proceeds of such tax which would diminish the amount of the sales tax revenues to be received by the governing authority, until all of such bonds shall have been retired as to principal and interest, and there is hereby vested in the holders of these bonds and the coupons representing interest thereon a contract right in the provisions of this Section and of R.S. 33:2717-13-33:2717-18. Acts 1962, No. 300, B.1."

Delegate E. J. Chatelain
September 25, 1973
Page No. 2

This legislative authority which is essential to protect the security for sales tax bonds would be in direct conflict with the above mentioned Section 35 and would become an unconstitutional enactment by the legislature if the proposed Section 35 is included in the new constitution. Under R.S. 33:2717-9, a part of the same sales tax bond statute, the City of Lafayette and many other local political subdivisions throughout the State have conveanted with the bond holders to continue to levy, collect and allocate the sales tax proceeds to the payment of the bonds as long as any outstanding or hereafter authorized, the constitutional subdivision covenant that this provision shall be irrerevocable as long as the bonds are outstanding. If these existing statutory provisions are voided by the new constitution, sales tax bonds could no longer be marketed to any reasonable interest rate under the legal opinions which bond counsel would render to the bond purchaser.

As you know, the City of Lafayette and the Lafayette Parish School Board have outstanding approximately $27,000,000 of sales tax bonds, not including the above mentioned voted bonds, and there is a substantial federal constitutional question as to the validity of Section 35 as it relates to the authority of the legislature to reduce the tax base which is now pledged to the payment of these outstanding bonds. As you may know, the federal constitution prohibits any State from enacting any law which would impair the obligation of an existing contract. Although the federal constitutional question would probably protect the security rights of the bondholders (in outstanding bonds but not bonds issued after the new constitution becomes effective), any provision in the new constitution which does not recognize these rights could only have an adverse effect on the State's credit. We are convinced that this is merely an oversight in drafting and that the convention will correct this problem when Section 35 is considered.

The problem is not limited to Lafayette by any means. Every statutory authorizing the issuance of sales tax bonds by Louisiana municipalities, parishes and school boards contains a similar provision prohibiting the legislature or the issuing authority from discontinuing or decreasing the tax in anticipation of the levy of which sales tax bonds have been issued. For example, see R.S. 33:2737-2, Paragraph 6 in the statute which has been used for the issuance of bonds by the Lafayette Parish School Board. The above quoted Section applies in not only to the City of Lafayette but all Louisiana municipalities. In the general parish sales tax bond statute this same authority is included in R.S. 33:2727, Paragraph D. Numerous other special sales tax statutes applicable to specific political subdivisions contain the same provisions and these can be found in Chapter 6 of Title 33 of the Louisiana Revised Statutes of 1950.

We hesitate to presume to make a specific recommendation as to the manner in which the provision should handle this matter but we recommend that Paragraph C of Section 35 is in many ways a limitation on the powers of local government. Perhaps Paragraph C should be deleted in its entirety.

Delegate E. J. Chatelain
September 25, 1973
Page No. 3

but if not, it should be clearly qualified to protect any bond issue which has been issued or may hereafter be issued by local political subdivisions prior to any change in the tax base by the legislature. This same problem has been faced in other States and sales and use tax bonds have not been marketable where such a legal covenant prohibiting a change in the tax base has not been included in the bond statute. Numerous Louisiana municipalities now have bonds voted for capital improvement programs in progress and if this
authority to issue these voted bonds is voided, serious and very undesirable problems will be presented. We are confident the convention does not desire any such results and that this matter will be handled when called to its attention.

Another problem, in our judgment not as serious as the one discussed above, exists in Paragraph A of Section 35 which limits the local sales tax to a maximum of 3%. This provision will have the effect of rendering unconstitutional some of the sales tax statutes hereinbefore enacted and now available to Louisiana political subdivisions. As an example, in St. Mary Parish, the Police Jury now levies and collects a 1% sales tax under R.S. 33:2711. The St. Mary Parish School Board has authority to vote and levy a 1% tax under R.S. 33:2712. The five municipalities in St. Mary Parish have authority to vote and levy a 1% sales tax under R.S. 33:2711. Further, by Act 155 of 1973, the St. Mary Parish Police Jury was given authority with voter approval to levy an additional 1% tax for sewer and sewerage disposal, solid waste disposal and general pollution abatement; a total statutory authority for 4% local taxes. The St. Mary Parish Police Jury is now considering the ordering of an election on the pollution tax and if it is passed, this will raise a 2% Parish tax, leaving only 1% more tax available under the proposed Section 35 provisions. Under these circumstances, either the municipalities or the School Board would eventually have their legal authority voided by the Section 35 provisions. This is even more regrettable when we recognize that a 1% sales tax in even one of the municipalities would make it constitutionally impossible for the St. Mary Parish School Board to vote an additional sales tax and this School Board is now in need of additional operating revenues.

If the 1% limitation on local sales taxes is finally included in the constitution, it would tend to require special constitutional amendments in situations such as that discussed for St. Mary Parish. If the limitation is to remain in the new constitution, we suggest that the convention consider granting the constitutional right for the legislature to increase this limit by a two-thirds of same such vote and not unduly restrict local governments and the desires of the local citizens and taxpayers. Please note that Paragraph B of Section 35 does require voter approval for any sales tax and everyone would agree that this is a desirable result although the existing constitution does not even require voter approval.

I have mentioned this matter in a telephone conversation with Mr. Gordon Kean who is very knowledgeable in these matters and can assist the convention in understanding the legal problems which we have attempted to

Delegate E. J. Chatelain
September 25, 1973
Page No. 4

point out by this letter, since the City of Thibodaux also has sales tax bonds voted but unissued, we are sending both Mr. Kean and Mr. Lanier copies of this letter. The Chairman of this committee, Mr. Perez, is also eminently qualified to understand the legal and financial implications of the issue discussed and we are taking the liberty of sending him a copy of this letter. These fine attorneys, who are also members of the Committee on Local and Parishal Government, can also assist you and your fellow delegates to the convention in developing a solution to protect the rights of local government and the citizens of this State.

Hoping you will never hesitate to call upon us when we can be of service in any and with kind personal regards, we are

Yours very truly,

COX, HUFFNERNATHER, MICHAELIS & OSBORNE

cc: Delegate Gordon Kean, Jr., Delegate Chalin O. Perez, Delegate Walter I. Lanier, Jr.
V. Miscellaneous Committee Documents

A. Miscellaneous Reports

February 26, 1973

MEMORANDUM

TO: Members of the Committee on Local and Parochial Government

FROM: Gordon Kean, Secretary

The subcommittee appointed as a result of this morning's meeting has met and we enclose the following materials for your review and consideration preparatory to the next meeting of the Committee. These materials are:

1. Groupings of provisions in the 1921 Constitution which the subcommittee considers to be within the scope of the assigned jurisdiction of the Committee. These groupings are for convenience only and are not intended to indicate specific areas of committee action. The suggested groupings are set forth in Exhibit A, attached herewith.

2. The subcommittee discussed certain 1921 materials which might be considered to fall either within the jurisdiction of the Committee or one of the other substantive committees. These proposals are set forth in Exhibit B. By way of example, Article 7, Section 51 of the 1921 Constitution relates in part to legislative authority to create "city courts." This raises the question of whether constitutional treatment of city courts is to be considered by this Committee of the Committee on Judiciary.

The subcommittee felt it unnecessary to resolve these questions at this time, and bring them to the attention of the Committee solely to indicate examples of matters which may need to be referred to the Coordinating Committee for resolution.

3. In order that the members of the Committee fully understand all of the constitutional provisions referred to in Exhibit A, the subcommittee has prepared a compilation of these provisions constituting Exhibit C.

4. The report of the Constitution Revision Commission contains local government proposals taken from the proposed South Dakota Constitution and from the model State Constitution prepared by the National Municipal League. This report is attached as Exhibit D.

Some of you have already received a copy of the local government recommendations made by the Local Government Committee of the Louisiana Constitutional Convention and the report by the Louisiana Law Institute whose work preceded the work of the Revision Committee. For those of you who have not previously received this material, we are enclosing copies of these documents for your information and review.

The subcommittee believes that the material being furnished to you should be helpful in our further consideration of the assigned work of the Committee. We will, of course, be pleased to answer any questions either prior to or at the next scheduled meeting of the Committee.

R. Gordon Kean, Secretary
Committee on Local and Parochial Government

Enclosures
ARTICLE VI
LOCAL GOVERNMENT

Recommended Section No. | Present Section No. | Subject
---|---|---
Section 1. | Section 2. | Parishes; Ratification of Boundaries, Creation, Consolidation and Dissolution
Section 2. | Section 3. | Change of Parish Lines; Election
Section 3. | Section 4. | New or Enlarged Parishes; Adjustment of Assets and Liabilities
Section 4. | Section 5. | Change of Location of Parish Seat
Section 5. | Section 1. | Municipalities, Incorporation, Consolidation, Merger, and Government
Section 6. | Section 23. | Classification
Section 7. | Section 6. | Existing Home Rule Charters and Plans of Government of Parishes and Municipalities Ratified
Section 8. | Section 8. | Home Rule Charter
Section 9. | Section 8.1. | Home Rule Parish; Incorporation of Cities, Towns, and Villages
Section 10. | Section 7. | Powers of Other Local Governmental Subdivisions
Section 11. | Section 7.1. | Limitations on Local Governmental Subdivisions
Section 12. | Section 13. | Local Officials
Section 13. | Section 14. | Filling of Vacancies; Appointment
Section 14. | Section 9. | Legislation Increasing Municipal or Parish Financial Burdens; Local Approval

Recommended Section No. | Present Section No. | Subject
---|---|---
Section 15. | Section 10. | Appropriation to Political Subdivisions
Section 16. | Section 21. | Creation of Special Districts; Authority
Section 17. | Section 11. | Governing Authorities of Local Governmental Subdivisions; Controls Over Agencies They Create
Section 18. | Section 12. | Special Districts and Public Agencies; Consolidation, Merger, and Assumption of Debt

Section 19. | Section 15. | Acquisition of Property
Section 20. | Section 16. | Servitudes of Way; Acquisition by Prescription
Section 21. | Section 17. | Prescription Against State and Political Subdivisions
Section 22. | Section 18. | Zoning
Section 23. | Section 19. | Assistance to Local Industry by Political Subdivisions
Section 24. | Section 20. | Recall
Section 25. | Section 21. | Uniform Procedure for Calling; Conduction, and Canvassing the Returns of Certain Special Elections
Section 26. | Section 22. | Intergovernmental Cooperation
Section 27. | Section 23. | Supremacy of Constitution
Section 28. | Section 24. | Terms Defined
Section 29. | Section 25.
B. Letters and Resolutions Commending the Committee

POLICE JURY
PARISH OF ST. MARY
FRANKLIN, LOUISIANA 70538
September 17, 1973

Local and Parochial Committee
Constitutional Convention
Baton Rouge, Louisiana 70804

Attention: Mr. Chalin Perez, Chairman

Dear Mr. Perez:

Attached hereto is a copy of a Resolution that was adopted on September 12, 1973 by the St. Mary Parish Police Jury, which endorses the final draft of Article VI (Local Government) as presented by the Local and Parochial Committee and expresses this Police Jury's appreciation and thanks for the efforts of the entire Committee during the preparation of this draft.

With our sincere thanks and many best wishes, we remain,

Sincerely yours,

ST. MARQ PARISH POLICE JURY
L. T. CHAMPAGNE, PRESIDENT

Secretary

CAM

Enclosure

CC: Members of the Local and Parochial Committee
Mr. F. O. Winchester, St. Mary Parish Delegate
Mr. Anthony J. Quarles, St. Mary Parish Delegate

RESOLUTION

WHEREAS, the St. Mary Parish Police Jury realizes the amount of time, effort and members of the Local and Parochial Committee dedicated to the drafting of Article VI (local government); and

WHEREAS, believes that the Article as drafted, if adopted, will help to improve the quality of local governments throughout the State of Louisiana; and

NOW, THEREFORE BE IT RESOLVED BY THE St. Mary Parish Police Jury in regular session convened this the 12th day of September, 1973, that they do wish to go on record as commending and thanking each and every member of the Local and Parochial Committee for their work and also that they fully endorse the final draft of Article VI (Local Government) as presented by the Committee and urge for adoption of said article in its entirety.

THIS DONE AND APPROVED by the St. Mary Parish Police Jury in regular session convened this the 12th day of September, 1973.

APPROVED:

L. T. CHAMPAGNE, PRESIDENT
ST. MARQ PARISH POLICE JURY

ATTEST:

ST. MARQ PARISH POLICE JURY

POLICE JURY
PARISH OF ST. MARY
FRANKLIN, LOUISIANA 70538
September 17, 1973

Non. Chalin Perez
Chairman
Local and Parochial Committee
Constitutional Convention
Baton Rouge, Louisiana 70804

Dear Mr. Perez:

Enclosed herewith is a copy of a resolution which was adopted by the St. Mary Parish Police Jury in regular session on September 12, 1973 which urges that the delegates to the Constitutional Convention remove two provisions which have severely restricted the abilities of local government to provide the services to the people of Louisiana.

Copies of the resolution are also being sent to St. Mary Parish's delegates to the Convention and to the Governor, Edwin W. Edwards for consideration.

Thank you for your outstanding efforts during the Convention and with kind regards, we remain,

Very truly yours,

ST. MARQ PARISH POLICE JURY
L. T. CHAMPAGNE, PRESIDENT

Secretary

CAM

Enclosure

CC: Governor Edwin W. Edwards
Mr. F. O. Winchester
Mr. Anthony J. Quarles, Jr.
to remove those provisions which have so severely restricted the abilities of local governments to provide the services to the people of our State.

THUS DONE AND APPROVED by the St. Mary Parish Police Jury in regular session convened the 12th day of September, 1973.

APPROVED:

ST. MARY PARISH POLICE JURY

PRESIDENT

CRAIG L. CHAMPAIGN, PRESIDENT

ATTEST:

ST. MARY PARISH POLICE JURY

SECRETARY

ATTEST:

PRESIDENT

SECRETARY

OFFICE OF THE

POLICE JURY

ST. MARY PARISH

LAFAYETTE, LOUISIANA 70501

September 16, 1973

Dear Sir:

Enclosed herewith is a certified copy of a resolution adopted by the Lafayette Parish Police Jury, Lafayette, Louisiana at its regular meeting held on September 13, 1973.

Your cooperation in this matter will be appreciated,

Yours very truly,

Ida T. Spell

Secretary-Treasurer

POLICE JURY

PARISH OF LAFAYETTE

OFFICERS

WALTER H. CONWAY, JR.

Chairman

EDWIN F. KIRK

Vice-Chairman

CRAIG L. CHAMPAIGN

Secretary

MR. CHALIN PEREZ

Chairman of Local and Parochial Committee,

Brathwaite, Louisiana, GOLO

LAFAYETTE, LA 70501

September 16, 1973

Mr. Chalin Perez

Chairman of Local and Parochial Committee,

Brathwaite, Louisiana, GOLO

POLICE JURY

PARISH OF JACKSON

OFFICERS

J. H. CLARK, JR.

Chairman

JESSE W. HOBBY

Vice-Chairman

W. G. DAVIS

Secretary

JONESBORO, LOUISIANA 71233

September 10, 1973

Honorable Edwin W. Edwards, Governor

Honorable E. L. "Dub" Henry, Chairman

Honorable Chalin Perez

Gentlemen:

Enclosed you will find a resolution adopted
RESOLUTION

WHEREAS the abilities of local governments in the State of Louisiana to provide the necessary services to its people have been severely restricted and in some areas hamstrung by the archaic and restrictive provisions in Louisiana's present constitution;

WHEREAS citizens attuned to the affairs of government in Louisiana have long recognized the cumbersome constitution of the State of Louisiana with relation to providing services in all facets of government;

WHEREAS the people of our State are deeply appreciative of the opportunity afforded to them by the Louisiana Legislature and the Edards' administration for the opportunity to participate and involve themselves in the historical opportunity to write a constitution for Louisiana;

WHEREAS the delegates to the Constitutional Convention have worked long and hard to attain the input the citizenry of this State via public hearing on all articles of the proposed constitution;

WHEREAS the Local and Parishial Committee of the Constitutional Convention has drafted an article on local government which removes virtually all the inhibitions and restraining provisions thereby giving local governments in the State of Louisiana the necessary instruments through which to provide the ever-demanding services by local officials;

NOW, THEREFORE, BE IT RESOLVED THAT the Parish of Jackson does hereby urge the delegates to the Constitutional Convention to remove those provisions which have so severely restricted the abilities of local governments to provide the services to the people of our State.

J. Raul Alexander, President
Jackson Parish Police Jury

Attest:

J. W. Templeton, Jr., Sec'y-Treas.
Jackson Parish Police Jury

[272]
WHEREAS, the Committee Proposal granting residual authority and power to local government to act unless such authority is specifically restricted or prohibited by the constitution, by general law, or by charter would be consistent with the principles of home rule; and

WHEREAS, this Police Jury desires to express its position with respect to the Louisiana Constitution, and particularly those provisions that will result in granting local governmental units independence, resources, and flexibility required to govern themselves in a responsive and responsible manner;

NOW, THEREFORE, BE IT RESOLVED by the Police Jury of the Parish of Lafourche, the governing authority of said Parish:

Section 1. That this Police Jury expresses its support for the Committee Proposal and urges its adoption by the Constitutional Convention.

Section 2. That a copy of this resolution shall be forwarded to each member of the Committee on Local and Parochial Government.

Section 3. That the Chairman of the Committee on Local and Parochial Government, the Honorable Chalmers Perez, shall call this message of the delegation to the Constitutional Convention the contents of this resolution when he presents the Committee Proposal to convention.

Thomas M. Barrow, President
LAFOURCHE PARISH POLICE JURY

Ruven J. Boudreaux, Secretary

LAFOURCHE PARISH POLICE JURY

STATE OF LOUISIANA
PARISH OF LAFOURCHE

Rueen J. Boudreaux, Secretary of the Lafourche Parish
Police Jury, do hereby certify that the foregoing is a true and correct copy of a resolution adopted by the Jury at a regular meeting held on the 14th day of September 1973, at which a quorum was present.

Given under my official signature and seal of office on this 14th day of September 1973.

Rueen J. Boudreaux, Secretary

On motion by Troy W. Thompson, Jr., seconded by Stanley L. Perry, the following resolution was introduced and adopted:

RESOLUTION

A resolution expressing support for Committee Proposal Number 17, introduced by the Committee on Local and Parochial Government to the Constitutional Convention of Louisiana of 1973, making general provisions for local and parochial government, levee districts, and ports, the financing thereof, and necessary provisions with respect thereto.

WHEREAS, the Committee on Local and Parochial Government has worked several months in a sincere effort to resolve the pressing problems of local government in Louisiana; and

WHEREAS, the Committee Proposal authorizes parishes and municipalities to adopt home rule charters subject to approval by the people in the parish or municipality affected; and
C. Louisiana Bond Attorneys’ Correspondence

Law Office
Benton, Benton, Benton & Dodson
A Professional Law Corporation

POST OFFICE BOX 17740-A
BATON ROUGE, LOUISIANA 70803

May 24, 1973

Mr. John W. Cox
Cox, Happenbauer, Michaels & Osborne
707 National Bank of Commerce Building
New Orleans, La. 70112

Mr. Harold Judell
Poley, Judell, Duvall, Bewley, Landwasser
225 Baronne
New Orleans, La.

Mr. William McDonald
McDonald & Bucher
1014 Metairie Road
Metairie, Louisiana

Gentlemen

I assume that you have received copies of two letters of May 22, 1973, one from Mr. Gene F. Tarver, Coordinator of Research for the Constitutional Convention, enclosing certain proposed provisions now under consideration by the Subcommittee Drafting General Provisions for the article on local and parochial government and the Subcommittee on Finance as to several items specified in the letter.

Also, one from Mr. Chaline O. Peres, Chairman of the Committee on Local and Parochial Government, requesting the bond lawyers to offer suggestions for the new Constitution in respect to municipal and parochial finance.

I am enclosing a copy of the data in order to make certain that you will have one in hand. An early conference is essential and I am suggesting that the three of you agree on an early convenient date for such a conference in New Orleans where we can hopefully agree on a consensus. Both Fred Jr. and I will attend.

I am sure we would not be inclined to differ too much as to the suggested matters as it appears that most of the subjects are well handled, but there are subjects omitted that probably could be supplemented with a relatively few suggestions that might be in the advantage of the parties. Thus we would not get too much involved and would confine ourselves to suggestions of the kind noted, and perhaps a few comments by way of improvement and adaptation.

It is my belief that we can make a substantial contribution. I do think that an early conference among us is necessary and I wish this might be arranged in New Orleans.

Yours sincerely,

Fred G. Benton, Sr.

Enclosure

Co: Mr. Chaline O. Peres
Mr. Gene F. Tarver

Law Offices
McDonald, Bucher & Morell
5014 Metairie Road, Post Office Box 17740-A
Metairie, Louisiana 70003

June 21, 1973

Mr. Steve Glassell
Senior Research Assistant
Constitutional Convention of 1973
State of Louisiana
Post Office Box 17740-A
Baton Rouge, Louisiana 70803

Dear Mr. Glassell:

This acknowledges receipt of and expresses our appreciation for the copies of the proposed sections to be considered by the Finance Subcommittee of the Committee on Local and Parochial Government on Saturday, June 23, 1973. It will not be possible for our group of bond attorneys to have prepared and present by that time a statement of their views on this subject, but we are meeting in Baton Rouge at 10:00 A.M. on Monday, June 25, 1973, and shall have our comments thereon prepared very shortly thereafter. They will then be submitted to you.

We thank you for your cooperation.

Sincerely yours,

McDonald, Bucher & Morell
WILLIS C. MCDONALD

Benton, Benton, Benton & Dodson
A Professional Law Corporation

POST OFFICE BOX 17740-A
BATON ROUGE, LOUISIANA 70803

June 23, 1973

Mr. Gene F. Tarver
Coordinator of Research
Constitutional Convention of 1973
Post Office Box 17740-A
Baton Rouge, Louisiana 70803

Dear Gene:

I know you have received a copy of a proposal involving Louisiana deep water ports, filed by Mr. Dennis Grace of the New Orleans Port.

The three ports involved are New Orleans, Baton Rouge, and Lake Charles.

We have joined in this report insofar as it goes. It does not cover specific tax problems involving the Lake Charles Harbor and Terminal District involving Article XIV, Section 30.1, and Article 6-A, paragraph 1, and 6-A, paragraph 5, the gasoline tax. These are covered in a report I have prepared for revenue, Finance and Taxation, to be considered by Senator Rayburn’s Committee next week. This is a short report, and I am enclosing several copies.

My Committee, dealing with the data forwarded by you to coordinate and review preparation of provisions to be included in the new Constitution relative to municipal and parochial finance, is to hold a second meeting here in my office on Monday, and I will make an effort to get some kind of report ready to be filed before the 5th, which is at present the deadline.

In the meantime, call me if you have any suggestions to make.

Sincerely yours,

Fred G. Benton, Sr.

FG85\r/b

Enclosure

REPORT TO REVENUE, FINANCE AND TAXATION COMMITTEE
IN RE LAKE CHARLES HARBOR & TERMINAL DISTRICT
JUNE 22, 1973, 10:00 O’CLOCK A.M.

Article XIV, Section 30.1 authorizes the Legislature general to create and defines ports, deep water and otherwise; to incur debt and issue bonds; and to levy and collect taxes.

Lake Charles Port created by Act 77 of 1924, thereafter, amended many times and reduced to R.S. 34:201, et seq. R.S. 34:201, et seq. includes R.S. 34:209, which empowers the Port to
levy a 2-1/2 mill tax for five years, as embodied in Act 389 of 1950, this extended to fifteen years in Act 369 of 1970.

From the foregoing summary it is plain the Lake Charles Port, which has received the benefit of a 2-1/2 mill property tax available for bonding up to 15 years, and for any other general port purposes, as embodied in R.S. 34:209, would be stripped of any authority to levy and collect any such tax without Article XIV, 30.1.

Article 6-A. 4t gasoline tax authorized as additional tax, defined in detail in 6-A, paragraph 1, consisting of two pages; 6-A, paragraph 5, 2-1/2 pages, makes allocation of tax.

In Article 6-A, paragraph 5, 1/20th of this tax is levied specifically in favor of the Port of Lake Charles. Other allocations are made to the New Orleans Port and to the Highway purposes, as spelled out in detail therein.

Article 6-A, paragraph 1 levies the tax and determines exactly how the tax is to be assessed and collected.

Article 6-A, paragraph 5 makes an allocation of the tax to several beneficiaries, including the Highway Commission, the New Orleans Port and the Lake Charles Port. The Lake Charles Port is 1/20th of the amount received from the tax, and at the present time is approximately the sum of $700,000 yearly.

Both the 2-1/2 mill tax and the gasoline tax, together with the net income, are presently serving as the basis for the issuance of approximately $4 million dollars in bonds, recently approved and sold by the State Bond Commission at a very favorable interest rate.

It is plain beyond question that Article 6-A, paragraphs 1 and 5 must be retained in the new Constitution, just as written.

Tax Exemption

Article X, Section 4, sub-paragraphs 19(a), 19(b), 19(c), insuring cargoes in transit freedom from State taxes, whether as imports to State of Louisiana, or as cargoes in transit in inter-state commerce, or as cargoes loaded upon docks in Louisiana, very necessary to give Louisiana ports competition with Mobile and Texas ports where similar tax exemption is allowed.

June 20, 1973

Committee on Local and Parochial Government
Constitution Convention of 1973
State of Louisiana
Post Office Box 17740-A
Baton Rouge, Louisiana 70803

Gentlemen:

Transmitted herewith are the recommendations of the Louisiana Bond Attorneys on the general draft by the Committee on Local and Parochial Government and the draft of the Finance Subcommittee which were transmitted to us for comment. We shall be pleased to place ourselves at the disposal of the Committee for any assistance which it may believe we can render.

Respectfully,

[Signatures]

FOLEY, JURELL, BECK, BEWLEY & LANDER

RECOMMENDATIONS BY LOUISIANA BOND ATTORNEYS
ON
DRAFT PROPOSAL
BY SUBCOMMITTEE ON FINANCE
(JUNE 14-15, 1973)

Article ______, Section 1

We recommend that the sentence beginning in line 15 and ending in line 18, "These millage rates may be increased in any parish when approved by a majority of the electors of the parish voting in an election held for that purpose," the words "these millage rates may be increased in any parish when approved by a majority of the electors voting in an election held for that purpose," be substituted therefor.

In line 11 we would eliminate the word "operating". The same word should be eliminated in line 25.

In line 21, after the word "levy" add "without a vote of the electors".

Article ______, Section 2

It is recommended that the word "operating" be eliminated in line 20.

Eliminate lines 27 through 30 and substitute therefor:

"These millage rates may be increased in any municipality when approved by a majority of the electors voting in an election held for that purpose. This section shall not apply to the City of New Orleans."

Article ______, Section 3

It is also recommended that an additional paragraph be added to Section 3 to read as follows:

"For the purpose of acquiring, constructing, improving, maintaining and operating any work of public improvement, any political subdivision may levy special taxes when authorized by a majority of the electors voting in an election held for that purpose."

Article ______, Section 4

It is recommended that an additional sentence be added at the beginning of this section to read as follows:

"Bonds, the principal and interest of which are secured by and payable from ad valorem taxes levied without limitation as to rate or amount, shall be termed general obligation bonds."

In lines 27 and 28, eliminate the wording "principal of and interest on all" and substitute therefor the words "general obligation", and in lines 28 and 29 eliminate the wording "that are payable from taxes levied without limitations as to rate or amount".

Line 35 should be changed to read "to pay principal and interest and redemption premiums, if any, on such bonds as they mature."

Article ______, Section 5

It is recommended that the words "General obligation" be added
before the first word in this section, and following the word "bonds" the wording "payable from ad valorem taxes levied without limitation as to rate or amount" should be eliminated.

In line 17 eliminate the words "in number".

In line 18, after the word "electors" add the wording "voting at an election".

In line 19, place a period after the word "bonds" and eliminate the wording "voting on the proposition," and also eliminate the wording in the next sentence "Funding and" and have the word "refunding" begin with a capital letter.

In line 21, we would eliminate the words "at an election".

In line 22, eliminate the words "funded or".

In line 23, also eliminate the words "funding or".

In line 27, eliminate the words "funded on".

**Article **

**Section 6**

It is recommended that immediately after the designation "(A)" and before the word "bonds" we would add "General Obligation" and in lines 21 to 23 we would eliminate the wording "which are payable wholly or in part from ad valorem taxes levied without limitations as to rate or amount".

In line 24, it is recommended that this line read as follows: "In order for any single purpose designated by the Legislature which, including the existing"

In line 30, after the word "assessment" we would add the word "roll" and after the word "for" we would add "the political subdivision" and we would eliminate the wording "state and parish purposes".

**-2-**

It is recommended that lines 33, 34 and 35 be rewritten to read as follows:

"Other school districts, such limitations shall be twenty-five percent, and except as to general obligation industrial development bonds, such limitation shall be twenty percent, of the assessed valuation of the taxable property."

We would recommend the rewriting of lines 1 and 2 in subsection (B) to read as follows:

"Any municipality financing and operating its own schools and not located within a parishwide or"

It is recommended that subsection (B) be reworded as follows:

"Bonds and other debt obligations payable from acreage taxes, sales and use taxes, excess revenues, special assessments and other special revenues shall not be considered to be bonds payable solely from ad valorem taxes for all purposes of this section.""}

**Article **

**Section 7**

It is recommended that the word "special" be eliminated in line 11 and 18 of subsection (A). Also in line 18, after the word "taxe" we would add the word "assumption.

In line 21, after the words "authority to" we would add the words "incure or assume debt, levy the tax, or"

In line 22, after the word "taxes", we would add "or other revenues".

In line 26 of subsection (B) after the words "of bonds" we would add the words "for other debt obligations", and in line 32, after the words "the bonds" we would add the same wording.

In line 1 on page 8 after the word "bonds" we would also add "or other debt obligations", and in line 4 after the word "bonds" we would add the same wording, and in line 5, after the word "bonds" we would add the wording "for other debt obligations".

**Article **

**Section 8**

In subsection (A) line 25, after the word "purpose of" we would add the word "acquiring,"

In subsection (B) line 28, in place of the word "the" we would substitute "any such".

**-3-**

In lines 31 and 32 we recommend that the wording "to the payment of the certifies of indebtedness be eliminated.

We recommend that subsection (C) be rewritten to read as follows:

"(C) The governing authority of the political subdivision issuing certificates of indebtedness payable from sources other than ad valorem taxes, and pledging its full faith and credit to the prompt payment of the principal and interest thereof, shall levy or cause to be levied ad valorem taxes without limitation as to rate or amount on all taxable property in the political subdivision fully sufficient to make up any deficit in the other sources of revenue pledged to the payment of the certificates."

**Article **

**Section 9**

In line 28 it is recommended that the first word be changed from "corporations" to "subdivisions" and in the same line after the word "bonds" we would add the words "or other debt obligations".

In line 30 after the word "bonds" add the words "or other debt obligations".

In line 31 and 32 the last word should be changed from "corporation" to "subdivision".

It is recommended that an additional section be added to be designated as Section 10 and to read as follows:

"Section 10. The Legislature shall provide the procedure under which political subdivisions levy taxes, issue bonds, or other debt obligations, or assume debt, and may authorize covenants in connection with the security and payment of such obligations, which covenants shall not be impaired so long as the obligations remain outstanding."

June 28, 1973

**-4-**

**RECOMMENDATIONS BY LOUISIANA BOND ATTORNES**

**ON **

**DRAFT "A" OF GENERAL PROVISIONS LOCAL AND PARISHIAL GOVERNMENT ARTICLE**

*(for consideration June 1, 2, 1973)*

The recommendations made in connection with this draft of the article mentioned above shall be limited to Sections 11, 12, 23 and 27.

**Article **

**Section 11**

It is recommended that this section be rewritten to read as follows:

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"Section 11. (A) In addition to any other powers granted by the legislature, the governing authority of a political subdivision shall have the following powers over any agency heretofore or hereafter created by it: (1) to appoint and remove members of the governing body of the agency; (2) to exercise budgetary and fiscal control over the agency, including the power to modify or veto its operating budgets, in whole or in part; or to substitute a different budget therefor; (3) to abolish the governing body of the agency and to substitute itself therefore, with authority to exercise all of its powers and functions; and (4) to merge, consolidate or abolish the agency if the obligations or indebtedness of the agency are not thereby impaired or if provision for the assumption of its obligations is made in accordance with Section 12 hereof; (5) to approve the levying of any tax or issuance of any bonds, or other debt obligations, prior to its submission to the electorate.

(B) If the creation of the agency required the concurrence of two or more such governing authorities, concurrence of all of them shall be required for the exercise of the above powers."

Article _______, Section 12

It is recommended that Section 12 be rewritten to read as follows:

"Section 12. Any political subdivision may assume the debt of any other political subdivision and have jurisdiction entirely within the boundaries of such political subdivision and upon such debt assumption the political subdivision assuming such obligations shall succeed to and be vested with all of the rights, revenues, resources, jurisdiction, authority and powers of the political subdivision whose debt is assumed. No such action shall take effect unless a majority of the electors who vote in an election held in the political subdivision assuming the obligation, vote in favor of the proposition."

It is further recommended that Sub-Section (B) be eliminated.

Article _______, Section 23

It is recommended that this Section be eliminated entirely from the Constitution. We see no alternative to this course of action.

It would require voter approval on all local or special statutes which would be passed in the future and the time and expense of this would be immense if we continued to have such local or special acts. It would also create a number of evils which we probably are not able to fully foresee, and although the present time, but among those which are foreseeable, they are sufficient to justify the action recommended. We feel that parishes, municipalities, or any other political subdivisions could be classified on a basis which would make it impossible or very difficult for them to operate. In addition to this, the tremendous expense which might be involved in multiple elections could be an argument against this section. This would prevent the authorization of particular bond issuance in special situations.

Article _______, Section 27

It is recommended that in sub-paragraph 2 of this Section, line 26, after the word "general" the words "or special" be included.

Dated June 28, 1973

July 7, 1973

Mon. Chalin C. Perez
193 Commerce building
New Orleans, Louisiana 70112

Dear Chalin,

I am suggesting that to amplify on to achieve the clear purpose of the language you provided to the amendment suggested by you that the language "including their powers and functions" be struck and that there be substituted in lieu thereof "including their taxing and other powers and functions," making the paragraph read:

"All deep water port commissions and all deep water port, harbor and terminal districts as they are now created and constituted, including their taxing and other powers and functions," making the paragraph read:

Since the suggestion is in main in accord with the purpose, I was thinking now an it could come as a staff correction, or in any event, as has been suggested by Mr. Classell, it is a correction that should be approved by you or by the Committee.

Sincerely yours,

Fred C. Benton, Sr.

F6885/b

carbon copies

Mr. Chalin C. Perez
1973 Constitutional Convention
P. O. Box 17740-A
Baton Rouge, Louisiana 70893

Mr. Gene Tarver
1973 Constitutional Convention
P. O. Box 17740-A
Baton Rouge, Louisiana 70893

Mr. Gene F. Tarver
Coordinator of Research
State of Louisiana,
Constitutional Convention of 1973
Post Office Box 17740-A
Baton Rouge, Louisiana 70893

Dear Gene:

I have just finished reading rather closely practically all of the proposals of the Committee on Local and Parochial Government. I prefer retaining any small part our committee may have played in the matter, the work is a splendid example of dedicated and studious application to the task at hand.

I would wish that all phases of the Constitution might be evolved in some such fashion, as if so, the people will really have something to vote for, to be proud of in the years to come.

There is always the opportunity for improvement, and I am sure that in the months to follow, the Committee on Local and Parochial Government will continue to establish and maintain a high criterion of constitutional drafting.

Perhaps I should be writing this letter to Mr. Perez. I am going to ask you to hand a copy of this letter to Mr. Perez, and ask him to express to the Committee personally the feeling of satisfaction that my committee had in helping to secure to some phases of municipal finance.

Mr. Gene F. Tarver
-2- July 6, 1973

After I have finished my reading of the proposal having to do with Revenue and Finance, I may of necessity have some further comments to make, and I will consider it a good privilege to remain in close contact with you and Steve Glassell and your associates.

Sincerely yours,

Fred C. Benton, Sr.

F6885/b

enclosure

cc: Mr. Steve Glassell

[277]
October 11, 1973

Mr. Gene F. Tarver
Coordinator of Research
State of Louisiana
Constitutional Convention of 1973
P. O. Box 17740-A
Baton Rouge, Louisiana 70803

Re: Committee on Governmental and Parochial
Committee on Revenue and Taxation

Dear Gene:

The extreme difficulty confronting anyone trying to follow the action of the Convention in its present stage is, of course, well known to you. Information is now available that Rayburn’s Revenue and Taxation Committee that would require all of the revenue of the Lake Charles, Baton Rouge and New Orleans Ports to be deposited in the General Fund of the State is to remain an open question, and that there is also the suggestion that these Ports should become legislative upon a vote of less than 2/3rds of the members of the Legislature. Further, that the multiple Governmental and Parochial Committee provisions that were finally approved by the Committee have now been put in a state of suspense. Where there are no further public hearings, and where apparently a lot of vital questions are to be resolved right on the floor of the Convention, it seems almost impossible to outline any constructive program that would enable anyone to have the opportunity to follow through on this business, either to get information or to give information, and I am wondering if there may be any constructive plan that could be carried out.

I know that if anyone knows about this, you do, and if you can find the time to check on the items I mention and write me your thoughts on the potential procedural aspects that lie ahead, and what, if anything can be done to know in advance what may happen in respect to any vital question, I will appreciate it.

Mr. Gene F. Tarver

I would suspect that the suspension of the items that were approved appertaining to Governmental and Parochial, inclusive of all of the bond laws, would probably be adopted in the end, and that the purpose in the suspension will be more collocation any suggestion of a difference of opinion. Do you think I am right in this?

It may be that some of these other points I mention can be pretty well anticipated at this time, as, for example, Senator Rayburn’s plan to require all of the revenues to be deposited in the General Fund of the State and, also, the idea advanced by someone that the 2/3rds rule serving as the means of converting to a statute should be changed to a lesser number.

I will appreciate it if you will find the time to write me a note upon these points.

Sincerely yours,

Fred G. Benton, Sr.

December 27, 1973

Mr. Gene F. Tarver
Coordinator of Research
State of Louisiana
Constitutional Convention of 1973
Post Office Box 17740-A
Baton Rouge, Louisiana 70803

Dear Gene:

Gordon Kean advises that the proposed constitutional provisions pertaining to deep water ports, including both the Perez suggestions and the Rayburn suggestions (Parochial—Revenue & Taxation) have been agreed upon and that the Perez provisions have been left intact, with only an excention contained in Revenue and Taxation that the provision there originally tampering with the funds of deep water ports by transferring to the State agency should be restricted to ports other than deep water ports. In other words, as I understand it, the deep water ports have been excepted so that the law to all practical intents and purposes remains the same as it was finally approved by the Perez committee.

I wish I might obtain a copy of the official action taken by these two committees in respect to the ports, as Lake Charles Harbor & Terminal District is calling on me to produce this information. Thanks so much, Gene, if you can help me out on this.

Sincerely,

Fred G. Benton, Sr.
D. Correspondence to Staff

Mr. R. J. Eames
Research Staff
Constitutional Convention
P. O. Box 17740-A
Baton Rouge, Louisiana 70803

Dear Mr. Eames:

In line with our telephone conversation today, attached is a copy of letter of April 17 from President Pro Tem. T. R. Spedden to Mr. Chalin O. Perez, with copies to the members of the Sub-committee on Boards and Commissions in New Orleans of the Committee on Local and Parish Government of the Constitutional Convention of Louisiana, with which he transmitted a statement outlining the facts which we believe require that the status of the Public Belt in the Constitution be maintained.

Also attached is a copy of Mr. Spedden's letter of April 25 to Mr. Perez, with copies to the members of the New Orleans Sub-committee, advising that at a Special Meeting of the Committee on April 24 to review the statement which accompanied Mr. Spedden's letter of April 17, the Commission unanimously approved the statement except for Paragraph 2, pages 5 and 6, dealing with the makeup of the Public Belt Commission and length of terms.

In view of divergence of opinion, each Commissioner has been requested to submit, in writing, his views of what should be included in Paragraph 2 concerning the makeup of the Commission.

All good wishes.

Sincerely,

[Signature]

cc: Hon. Dorothy Taylor
   Hon. Johnny Jackson, Jr.
   Mr. Jow. I. Giamusso
   Mrs. Mary Zervopoulus
   bc: Members of the Commission

---

Mr. Chalin O. Perez
Beaithwaite, Louisiana 70040

Dear Mr. Perez:

This refers to my letter of April 17, transmitting a statement in response to request of April 12 from Sub-Committee Chairman Johnny Jackson, Jr., concerning treatment of the Public Belt Railroad in the Constitution.

As you are aware, because of the time factor, the Full Commission did not have an opportunity to review the statement before it was sent to you. At a Special Meeting of the Committee April 24 to review the statement, the Commission unanimously approved it, except for paragraph No. 2, pages 5 and 6.

As to paragraph No. 2, dealing with the makeup of the Public Belt Commission, the Commission wishes to give it further study and prepare an amended paragraph 2, which will be sent to you within a short time.

Thereafter the Commission will appreciatively be granted an audience with your Committee for a full discussion of the entire subject.

Yours very truly,

[Signature]

cc: Hon. Dorothy Taylor
   Hon. Johnny Jackson, Jr.
   Mr. Jow. I. Giamusso
   Mrs. Mary Zervopoulus
   bc: Members of the Commission

PUBLIC BELT RAILROAD COMMISSION

CITY OF NEW ORLEANS
SUITE 127, INTERNATIONAL TRADE MART BUILDING
150 CANAL STREET
P. O. BOX 17588
NEW ORLEANS, LA 70115

April 17, 1973

Mr. Chalin O. Perez
Beaithwaite, Louisiana 70040

Dear Mr. Perez:

Pursuant to the request of Johnny Jackson, Jr., Chairman of the Sub-Committee on Boards and Commissions, in New Orleans, dated April 12, that the Public Belt Railroad Commission submit by April 17 any suggestions that might have as to the treatment of the Public Belt in the new Constitution, we herewith attach a statement outlining the facts which we believe require that the status of the Public Belt in the Constitution be maintained.

As you will see from the attached statement, however, we believe that changes in the number of Commissioners, their terms and method of selection might be improved upon. Additionally, it is felt that certain restrictions on the Commission's authority to contract with others for the operation and management of the Public Belt properties should be eliminated to assure the Belt's ability to more efficiently and economically fulfill its function.

We would be pleased to meet with the Sub-Committee at its convenience to discuss the matters set forth in the attached statement and submit a model constitutional provision in due course.

Sincerely,

[Signature]

cc: Hon. Dorothy Taylor
    Hon. Johnny Jackson, Jr.
    Mrs. Mary Zervopoulus
    bc: Chairman of the Commission

---

Mr. Chalin O. Perez
Beaithwaite, Louisiana 70040

Dear Mr. Perez:

Attached is copy of letter of April 17 from Chairman Johnny Jackson, Jr., Committee on Boards and Commissions in New Orleans, CC-73, received April 13.

In view of the fact that the information was due to be furnished to the Committee by today, April 17, there was no time to have further consultation with the Commission, hence the attached statement was prepared based on opinions previously developed from the members of the Special Constitutional Convention Committee and previous general discussions on the subject.

T. R. Spedden
History and Purposes of the Public Belt Railroad Commission

The Public Belt Railroad Commission (Public Belt) was originally created in 1904 by Ordinance No. 268, N.C.S., for the purpose of eliminating the restrictions on the free movement of rail freight traffic through the City of New Orleans which had theretofore existed because of the competitive interests of the railroad industry. Subsequent to its establishment the Belt was incorporated into the Constitution in order to provide secure financing for the construction and operation of the Belt system. By later amendment to the Constitution, the Belt was directed to construct, operate and maintain the Huey P. Long Bridge. Today, the Belt system serves the area from West Bridge Junction on the West side of the Huey P. Long Bridge to Lake Pontchartrain and the Dock Board Belt Terminal on the Mississippi River Gulf Outlet. The Public Belt system covers approximately 55 miles and consists of approximately 150 miles of main line tracks, yard tracks and sidings and connections and interchanges with 6 trunkline railroads. The Belt system serves approximately 170 industries with private sidings and 7.2 miles of wharves owned and operated by the Board of Commissioners of the Port of New Orleans (Dock Board). All of the Belt’s operations are on the east side of the Mississippi River and it is the only railroad capable of serving the wharves of the Dock Board and most of the industries reached by its lines. The Public Belt is an essential adjunct to the Port of New Orleans without which the Port could not operate. Its solvency and the integrity of its bonds and bonding capacity are essential.

By the Ordinance which established the Belt and the provisions of the Constitution (Article 14, §26) the Public Belt system is declared to be the sole property of the people of the City of New Orleans which shall in no way or manner ever be hypothecated or alienated. The Constitution authorizes the Public Belt to issue revenue bonds to be used for the development, extension and construction of the Public Belt system. Even though these are revenue bonds, the full faith and credit of the City is pledged to the repayment of these bonds and the City is obligated to assess a tax against the property owners of the City of New Orleans in the event that the Belt’s revenues are insufficient to pay the principal and interest on said bonds. As of the present time, there is outstanding in bonds and notes the sum of $1,500,000. The Constitution further authorizes the Belt to issue notes and bonds and to re-finance the maturing bonds. Because its revenues are sometimes insufficient to pay bonds as they mature meet, if not all, of the bonds originally issued have been re-financed utilizing this constitutional authority. The Belt also has additional constitutional authority to issue new bonds as needed for the development, extension and addition to the Public Belt system.

By authority of the Louisiana Constitution (Article 14, §26) the Belt built, owns and operates the Huey P. Long Bridge in Jefferson Parish. The bridge was completed in 1935 at a cost of approximately $12,000,000; $7,000,000 of which was contributed by the State of Louisiana and the remainder by the Public Belt Railroad Commission through the issuance of revenue bonds. The bonds issued by the Belt to construct the bridge have been paid and retired. Forty per cent of the cost of maintaining and operating the bridge is borne by the State Highway Department, the remainder by the trunkline railroads using the bridge (BP Transportation Company and TF-NP Terminal Railroad of New Orleans) and Belt on a proportionate basis.

The Belt’s income is derived entirely from the revenues it receives for providing switching services to industries on its line and the wharves of the Port. Approximately 90% of the Public Belt’s revenues are derived from switching services it performs for the account of trunkline railroads. The Public Belt is an interstate railroad carrier whose rates and operations are subject to the jurisdiction of the Interstate Commerce Commission.

Suggested provisions in Constitution.

1. Because of circumstances which existed at the time of the adoption of the City Ordinance and the existing constitutional provisions there were good reasons to prohibit any business or governmental agency other than the Public Belt from having anything to do with the operation, management and control of the Public Belt system. Circumstances have changed and it appears that under current and foreseeable circumstances the limitation on the Belt’s right to contract with others for the operation of the Belt currently contained in Article 14, §26, should be eliminated so that the Belt can do that which is in the best interest of the people of the City of New Orleans and the business of the Port. In this connection, it is suggested that the Public Belt Railroad Commission be specifically authorized to contract with either the trunkline railroads entering

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New Orleans or the local area for the operation and maintenance of the Public Belt System so that all efficiencies and economies in connection with the operation of the system in conjunction with the Port Facilities might be realized.

At the present time, the Buck and the Dock Board are meeting to determine how the operation of the Public Belt System might be undertaken by the Dock Board and whether it would be possible or advisable to place the control of the Dock Board properties and the Public Belt properties under the same Board. However, in view of the fact that the Charvies and Port Facilities are owned by the State and administered by the Dock Board while the Public Belt is owned by the people of the City of New Orleans, difficult financial and constitutional problems exist in attempting to consolidate the Boards of these agencies.

2. Pursuant to the Constitution and the ordinance originally establishing the Belt, the Public Belt is composed of the Mayor and 15 citizen taxpayers chosen as such from a constitutional electorate, as set forth in the constitution, by (a) of the Constitution of 1921. It is suggested that any new constitutional provision prevail on the present elected Public Commissioners, retaining, however, the independent character of the Buck.

of the Board of Public Improvement, as provided by the Mayor and the City Council from an electorate supplied by the civic organization. It is also noted that the existing provision of the Constitution be changed to accord with the following:

a. Change the number of Public Commissioners from 15 to 7, with 2 each to be chosen from 7-year terms rather than the present 6-year term.

b. The Commission to be composed of the following:

(i) The Mayor of the City of New Orleans;

(ii) The two Commissioners chosen by the Mayor with the consent and consent of the City Council;

(iii) Four members, two of which are to be appointed by the Mayor with the consent of the City Council;

(iv) One member, chosen by the Mayor from among such persons as he shall select, shall be an owner of at least 20,000 shares of stock in each of the following companies:

(a) New Orleans Belt Railroad Company;

(b) New Orleans Belt Terminal Company;

(c) New Orleans Belt Warehouse Company;

(v) as set forth in the Buck ordinance as it shall be amended by the Board and the Mayor of the State of Louisiana in no event, and the Buck Board as the Board designated by constitutional provision.

There are no constitutional reasons why the New Orleans constitutional Convention should not have been conducted. However, neither the Board nor the Mayor, nor the State of Louisiana has the constitutional power to create or amend a constitution by a constitutional convention. The Board is the Board of the public interest and the public interest is served by providing for the local government to be responsible for the operation of the Belt's own business.

3. The Buck Belt properties have historically enjoyed an exceptionally favorable interest rate. Additionally, there is a treaty between the Belt's constitutional status. It has always been advantageous in the dealings with the other transportation companies essential to the successful operation of the Port of New Orleans.

It can be demonstrated that the Belt's favorable borrowing ability and its ability to contract favorably with others is directly traceable to the stability afforded the Belt because of its constitutional status. Because the existence of a Public Belt System is so important to the public interest of the City of New Orleans and the State of Louisiana, it is imperative that the Belt's management prerogatives and financial integrity be maintained free of the possibility of direct political intervention.

I. The Belt was the vehicle through which the New Orleans Union Passenger Terminal was constructed. Except that it was not a constitutional requirement of the terminal it was a direct constitutional requirement. Certainly those provisions of the Constitution involving the Belt could not have been sustained without constitutional consent. It would be argued, however, that any change in the CPSLA created the necessity to avoid any possible violation of the constitutional intent that the Belt be a constitutional provision.

II. Change the Buck Board and the Dock Board to the following:

(a) New Orleans Belt Railroad Company;

(b) New Orleans Belt Warehouse Company;

(c) New Orleans Belt Terminal Company;

(d) New Orleans Belt Railroad Company;

(e) New Orleans Belt Warehouse Company;

(f) New Orleans Belt Terminal Company;

(g) New Orleans Belt Railroad Company;

(h) New Orleans Belt Warehouse Company;

(i) New Orleans Belt Terminal Company;

(j) New Orleans Belt Railroad Company;

(k) New Orleans Belt Warehouse Company;

(l) New Orleans Belt Terminal Company;

(m) New Orleans Belt Railroad Company;

(n) New Orleans Belt Warehouse Company;

(o) New Orleans Belt Terminal Company;

(p) New Orleans Belt Railroad Company;

(q) New Orleans Belt Warehouse Company;

(r) New Orleans Belt Terminal Company;

(s) New Orleans Belt Railroad Company;

(t) New Orleans Belt Warehouse Company;

(u) New Orleans Belt Terminal Company;

(v) New Orleans Belt Railroad Company;

(w) New Orleans Belt Warehouse Company;

(x) New Orleans Belt Terminal Company.

April 12, 1973

Public Belt Railroad Commission

P. O. Box 5668

New Orleans, Louisiana 70151

Dear Sir:

On Friday, April 20, 1973, the Subcommittee on Boards

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and Commissions in New Orleans of the Committee on Local and Parochial Government of the Constitutional Convention of Louisiana, will begin its work. As you may be aware, committees of the convention must submit their prepared, insofar as they are complete, to the delegates as a whole by June 22. Please submit to Mr. Chalip Poindexter, Chairman of the Committee, to me, and to the other subcommittee members, Joseph Girardusso, Jr., Representative Dorothy Moncure Taylor, and Mary Servagen, by April 17, any suggestions you may have as to the treatment of your agency in the new constitution. If you feel that you need constitutional status, please explain why and submit a model constitutional provision. In addition, please outline what changes you suggest and the reasons for them.

The timely submission of your recommendations is very important as we will begin writing on April 24. Thank you very much for your assistance.

Sincerely yours,

Johnny J. Mack, Jr., Chairman
Subcommittee on Boards and Commissions in New Orleans

Benton, Benton, Benton & Dindon
Attorneys at Law
401 Perdido Street
Baton Rouge, Louisiana 70801

July 6, 1973

Mr. Gene F. Tarver
Coordinator of Research
State of Louisiana,
Constitutional Convention of 1973
Post Office Box 17740-A
Baton Rouge, Louisiana 70803

Dear Gene:

I appreciate your communication of July 5, 1973, enclosing the final report of the Committee on Local and Parochial Government. I also got a copy of the Rayburn Revenue and Finance Committee report from Steve Glassell. You fellows are certainly accommodating, and I appreciate it very much.

I notice that, in Section 7, page 4, "Existing Home Rule Charters and Plans of Governments of Parishes and Municipalities," you ratified the home rule charters in a number of places, including New Orleans, Baton Rouge and Shreveport, but you apparently entirely overlooked Lake Charles.

I certainly think you could make this correction directly when you read the following.

The Home Rule Charter of the City of Lake Charles was approved by the electorate and became effective in that City on July 1, 1961. Under it, the Council is the governing authority of the city for purposes of both legislation and policy making. The authority for this is found in Article XIV, Section 50 (Act 245 of 1961) of the Constitution, where in Sub-Section (c), we find the following:

Mr. Gene F. Tarver

"(c) The Legislature shall provide by general law a method whereby any municipality may frame a home rule charter and adopt same by a vote of the majority of its qualified electors voting thereon at an election to be held as prescribed by law. Home rule charters so adopted shall be amended, modified or repealed in a similar manner (emphasis supplied)

I am sure this was simply an oversight, and I would like to be advised that it has been corrected.

I am sure that you can call Mr. Perez' attention to this oversight and I certainly would not think it would require anything other than just a correction entry in the phone as presently written, as no one has ever questioned the home rule status of that city.

Sincerely,

Fred G. Benton, Sr.

FGSB/rb

carbon copies:

Mayor James E. Sudduth
Lake Charles, Louisiana

Mr. Robert M. McHale
City Attorney
Post Office Box 1591
Lake Charles, Louisiana

MRS. NORMA DUNCAN
Research Director
CC 173

Dear Mrs. Duncan:

You asked for my comments on the clause "levied without limitation as to rate or amount" appearing in Sec. 406 of the Local Government Committee proposal No. 17. The section establishes limitations as percentages of total property values for bond issues for political subdivisions. The limitations apply to general obligation bonds payable solely from ad valorem taxes levied without limitation as to rate or amount.

While the clause sounds quite familiar I have been unable to find its use elsewhere. It is not in the present constitutional limitation provision in Art. XIV, Sec. 14(f) nor in the amendment of this section proposed by Act 213 of 1973. The proposal in 1973 of the constitutional revision committee doesn't use the clause but the description of the bonds to be included in the limitation as "bonds which are payable solely from ad valorem taxes to be levied so as to be sufficient to pay interest annually or semi-annually and the principal falling due each year" (proposed Art. 14-A(A)) appears to have the same meaning as "levied without limitation as to rate or amount." The limitation provided in the Revised Statutes, R.S. 39:962, is the same as in Art. XIV, Sec. 14(f). Mr. Charles F. Casenese, Jr. of the state treasurer's office tells me that the clause is used in resolutions of the state bond commission approving political subdivision bond issues secured by ad valorem taxation.

Aside from where I may have seen the clause used before, I am not sure as to its purpose in describing bonds to be used in calculating the debt limitation. I thought at first it was to exclude revenue bonds issued for local projects, but I later saw these are specifically excluded in Subsection D of Sec. 40. There are some other commission bond authorizations that permit bonds to be issued by port authorities derived from port operations or received by the commission from any taxes authorized where the authorized taxes are limited to 1 1/2 milles (Art. 91, Secs. 32, 33, 34, 35, 36, 1 R.S. 34:2515-2537). Possibly it was the intention of drafters of Sec. 40A to exclude from the debt limitation bonds of these commissions and any other bonds secured by taxes that are limited to rate (There may be other than the port commissions I have mentioned as I only made a brief search).

At first blush, I questioned whether such exclusion was proper, reasoning that since the ad valorem taxes are subdivision-wide, it would be appropriate protection for bond holders to include bonds that are secured by a tax, regardless whether or not the tax is limited as to rate. That is correct, I believe, if the tax is imposed solely to secure the bonds. But in the case of the port commissions I mentioned, the levy of the tax is authorized whether or not bonds are issued and use of the tax to secure the bonds seems optional. This, of course, puts any bonds secured by the tax in the same position as excess revenue bonds. The tax is payable whether or not bonds are issued, so that bondholders of bonds secured by other taxes can have no complaint. The taxing liability of the subdivision has not been increased by the issuance of the bonds.

Is there any problem as to existing bonds? Conceivably if there is an existing bond issue secured by a tax limited as to rate, a holder of such a bond might consider that the exclusion of the bond from the debt limitation dilutes his security as it may increase the total amount of bonds dependent on the tax base more than was permitted when his bond was issued. I doubt that this is any real problem, as I think it is extremely unlikely that there is outstanding any significant amount of bonds of any subdivision secured by a tax limited in rate.

I began this letter with a feeling, as expressed in my telephone conversation with you, that the "levied without limitation as to rate or amount" was unnecessary and the designation of general obligation bonds as "payable solely from ad valorem taxes" was sufficient. I've about convinced myself now that the clause doesn't hurt and in fact may be helpful if you discuss this with your staff I'd be interested in knowing their view.

Sincerely,

Wilson B. Holcombe
E. General Correspondence and Statements of Witnesses

The Association has gone on record as approving those amendments which were submitted by the constitutional revision committee and which removed from the constitution special districts, boards, agencies and commissions and grant to the legislature the right to create these districts and to provide for such power and authority that it deems proper including the power of taxation and to incur debt and issue bonds. The inclusion of special districts in the constitution has promoted a great number of amendments requiring citizens all over the state to vote upon them or not and some special district about which they have no knowledge and no concern should be allowed to raise its millage, change the composition of its board, etc. The constitutional protection which many of these districts originally desire has, in fact, become a restricting source preventing growth and change.

The Association is in favor of retaining those provisions which provide that parish lines can not be changed or new parishes created or a parish dissolved without submitting the matter to a vote of the people involved. The same would be true of provision regarding the changing of the location of the parish seat of government. Finally, we join the Louisiana Municipal Association in its efforts to include a provision which would prohibit the legislature from imposing additional financial obligations on local government without providing them with additional revenues to meet such obligations.

The Police Jury Association of Louisiana sincerely appreciates the opportunity afforded to testify before this committee and make its views known. We look forward to working with the committee and the convention in the great effort of constitutional revision and we will be happy to have the copy of the committee or individual member in discussing and drafting of provisions relating to local government. There are many other constitutional provisions which may affect local government and we have tried to cover in our testimony this morning those which we believe to be of primary concern. However, to accept them again before the committee should any matters arise and upon which we may furnish information or assistance.

3/15/73

Louisiana Population

Total State Population: 3,643,180
Reside inside Municipal limits, or 57.79%: 2,105,452
Reside outside municipal limits, or 42.21%: 1,537,728
Reside in New Orleans, or 28.8%: 593,471

Tate of Louisiana Constitutional Convention of 1973 P.O. Box 4444 Baton Rouge Louisiana T5

September 25, 1973

TO: The Honorable B. B. Bayhorn, Chairman Committee on Revenue, Finance and Taxation

FROM: Chalin O. Perez, Chairman

Res: Resolution of conflict between the two committee proposals.

At its meeting on Friday, September 21, 1973, the Committee on Local and Parishal Government discussed the areas of conflict between its proposals and the proposal of the Committee on Revenue, Finance and Taxation. In particular, the Committee debated the four amendments proposed by Mr. Conroy (see attached) which were drafted to resolve certain areas in conflict. The Committee took the following action on the four amendments:

(1) Amendment No. 1 which is intended to exempt persons from paying a parish occupational license tax if they pay a municipal license tax and the parish agrees with the purpose of this amendment; however, we feel that the language may not exactly express the desired result. For this reason, we have requested the staff to draft the amendment for consideration at our next committee meeting.
2. Amendment No. 2 which deletes the Section taking the State out of the property tax business. There are strong feelings in our Committee that this Section should be retained in our proposal. Thus, we feel this Section should be left to a vote of the Convention.

3. Amendment No. 3 which deletes the paragraph requiring political subdivisions to levy an ad valorem tax to make up any deficit in other sources of revenue pledged to the payment of certificate of indebtedness. "The Committee is willing to support this amendment which deletes Paragraph (C) of Section 62.

4. Amendment No. 4 which places an "except as otherwise provided in this constitution" clause in front of the Section on Levies. The Committee desires to further study this matter before reaching a decision.

We feel the two joint committee meetings were beneficial and are pleased that we have been able to resolve at least two areas of conflict.

FLOOR AMENDMENT

Amendment No. 1

On page 17, at the end of the sentence on line 8, substitute "a committee," for the period "a community," after the word "Local" and insert the following:

"and the total amount of any occupational license tax levied by a parish shall be reduced by the amount of any occupational license tax levied by any municipality therein."

AMENDMENT NO. 2

On page 19, delete lines 7 through 14, both inclusive

AMENDMENT NO. 3

On page 22, delete all of line 32, and on page 23, delete lines 1 through 8, both inclusive

AMENDMENT NO. 4

On page 26, on line 13, at the beginning of the sentence (after the words "Section 50," and before the word "All") insert the following:

"Except as otherwise provided in this constitution,"

THE RIPARIAN SERVITUDE

"nor shall private property be taken for public use without just compensation. Amendment V, U.S. Constitution.

No person shall be deprived of life, liberty, or property except by due process of law. Except as otherwise provided in this constitution, private property shall not be taken or damaged except for public purposes and after just and adequate compensation is paid. Article 1, Sec. 2, Louisiana Constitution of 1921.

Lands and improvements thereon hereafter actually used or destroyed for levees or levee drainage purposes, . . . shall be paid for at a price not to exceed the assessed value of the preceding year, provided that this shall not apply to hurricane . . . Article XV, Sec. 6, Louisiana Constitution of 1921.

Servitudes imposed for the public or common utility, relate to the space which is to be left for the public use by the adjacent proprietors on the shores of navigable rivers, and for the making and repairing of levees, roads and other public or common works. All that relates to this kind of servitude is determined by laws or particular regulations. Revised Civil Code, art. 666.

The authority for the method by which Louisiana builds levees for the purpose of channeling the multitude of watercourses which crisscross the state is contained in the above-quoted provisions of our law. This memorandum has as its purpose an examination of the Louisiana levee appropriation system and whether this scheme passes Federal constitutional muster.

I. ORIGIN

The two primary sources of the riparian servitude for levee purposes lie deeply rooted in Louisiana's history. One source, of course, is the venerable Code Napoléon; the other source appears to have come about because of the exigencies created by almost unique geography of the Louisiana Territory.

Article 604 of the French Code provided: "Servitudes established by law have for object the public or communal utility, or the utility of private persons."

Article 650 was a continuation of the idea born in the preceding article: "These established for the public or communal utility have for object the roadway along the navigable or floatable rivers, the construction or repairing of roads and other public or communal works. All that concerns this kind of servitude is determined by law or particular regulations."

Clermont v. Present, 160 U.S. 331, 16 S.Ct. 349, 347, 4 L.Ed. 980 (1896). Not only was this concept incorporated into Louisiana's codification of the Civil Law, but the "law or particular regulations" implementing it made no provision for compensation the riparian landowner until 1892, long after Louisiana had become a state and had ceased to be subject to French law. This major proviso though, was limited to lands in Orleans Parish.

Dinkins v. Board of Comrs. of Caddo Parish Drosite 210 La. 121 26 So.2d 479 (1946). It was not until the Constitution of 1921 that there was a general provision in

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to be set in levee construction and by specifying certain penalties for failure to properly maintain a levee. Finally, in 1897, the legislature created the Board of State Engineers and charged it with the responsibility of levee construction and maintenance. Since then the construction of levees has been a governmental operation.

It is from these historical sources that the riparian servitude for levee use derives its present day vitality. There can be no question but that the state, or other competent governmental authority, has the right and power to take any and all steps for the protection of the public from a common danger or threat, such as floods. In essence, that is one of the primary aims of government.

II. NATURE

Before discussing the nature of the servitude, one must understand what is meant by the term "nature" is a determination of whether the exercise of the servitude is considered the classification of eminent domain, expropriation, or appropriation.

The terms "eminent domain," "expropriation," and "appropriation" are familiar enough; they all relate to the taking of private property for public use. Unfortunately, they are frequently, but incorrectly, used interchangeably.

As two noted scholars have said:

There are intended lines of differentiation amongst these terms, although it is clear that the lines have always been respected or understood by Louisiana courts or commentators. All three, to be sure, describe aspects of the power which government has to compel the transfer of existing ownership of property. The most inclusive phrase, eminent domain, is a general heading identifying this authority. In common law this would be condemnation. In Louisiana, this is not the case. Instead, the great bulk of that which is included in a description of the exercise of the power to compel the transfer of property is properly described as "expropriation." Most of the otherwise unduplicated aspects of the exercise of eminent domain authority are covered under the Louisiana term "appropriation." Appropriation is also properly descriptive of the authorized exercise of property rights vested in the public by virtue of the jurisprudence, if exercise is not intentional, upon the payment of compensation. Daunik and Klein, pp. 7-3.

The term "expropriation" is therefore correctly understood as taking or transferring property from a private individual to the public realm. Ownership changes and compensation is due the individual. Appropriation is only slightly different in that there is no transfer. There is only a use, or exercises of some right or privilege, such as the use of a pre-existing servitude. There is no complete taking of the property, and it is generally held that no compensation is due.

There can be little question but that the riparian servitude for levee purposes in an exercise of the general governmental power to take or to use private property for public purposes. The only serious question revolves around the issue of the adequacy of compensation. It is in resolving this issue that the courts manifest what Daunik and Klein, Eminent Domain in Louisiana, refer to as the behavioral approach; that is, the courts have decided that only the mere pittance provided by Article XVI, Sec. 6 of the State Constitution will be allowed for lands burdened with the riparian servitude. In arriving at this result they have squarely held that the scheme of levee appropriation is permitted, indeed, implied, under the police power. The jurisprudence is replete with cases that pay homage to this well entrenched rule. One of the leading cases, and the one which is almost always cited by the courts when they delve into this topic is Frank v. Walker 15 La. Ann. 421, 12 So. 400. The Court, at page 400, gave the classic expression of the rule:

"... That under Article 665 of our Civil Code riparian property on navigable rivers in this state is subject to a servitude or easement imposed by law for public or common utility, authorizing the appropriation by the government, under proper laws, of the space required for the making and repairing of levees, roads and other public works; that the state is charged with the administration of this public servitude; that in locating and building levees and roads does not constitute the property of the citizen, but lawfully appropriates it to a purpose to which it is subject under the title itself; that in so doing, she acts not under the power of eminent domain but in the exercise of the police power, that laws, constitutional or statutory concerning the expropriation of private property for public use and requiring adequate compensation therefor, have no application to property increasingly required for levee purposes, and the private injury resulting from the legitimate exercise of this legal right amounts almost (but not always) to which the individual must submit as a sacrifice to the public safety and welfare.

See also: Wolfe v. Hargis 46 La. 315 (W.D. La.1911), aff'd per curiam, 283 U.S. 601, 51 S.Ct. 673, 75 L.Ed. 1429 (1931); General Surety Co. v. United States 351 U.S. 179, 76 S.Ct. 708, 100 L.Ed.1951; Conhig v. United States, 63 F. Supp. 70 (E.D. La. 1950); City of New Orleans v. Board of Levee Comrs. of Orleans Levee District 164 La. 1000, 115 So. 172 (1930); Verlyn v. Sidney Bean Contractors, Inc. 293 So. 2d 808 (La. App. 1st Cir. 1971), writ granted 260 La. 400, 250 So. 2d 208; Daunik and Klein, pp. 14-15. This list is merely illustrative and by no means exclusive or exhaustive.

III. SCOPE OF THE SERVITUDE

It would be said that since the government is vested with a right to take private property for public purposes and pay only a mere token for it, there would have to be some limits placed on the exercise of the power. Originally, however, the limitations were almost inconsequential.

In an early case the court gave a wide scope to the exercise of the servitude, saying: 'This servitude is limited only by the reasonableness of its use and the administrative officers of the State of Louisiana are charged with determining that limit subject to review by the courts only when oppression or injustice is shown or proved." Frank v. Nelson Bros. Contractors, 180 La. 759, 157 So. 585, 587 (1934).

The facts of the case were rather extreme, however. The existing levee was below grade, weak and there was a possibility of flooding at high water season. The landowner was attempting to enlarge the levee board's contractor from taking dirt from the barge on his land and from using that dirt to rehabilitate the levee. Thus, there was no clearly unreasonable use, nor oppression or injustice.

In Board of Com'rs. of James Basin Levee District v. Franklin, 129 La. 809, 54 So. 215 (1915), appeal dismissed 262 U.S. 844, 72 S.Ct. 80, 96 L.Ed. 698 (1915), the levee board was attempting to appropriate Franklin's property in conjunction with a large scale flood control and drainage program while paying him only the assessed value. The land in question, however, was seventeen miles from a navigable river. The landowner therefore claimed that appropriation was improper, that his property would have to be expropriated; and that compensation would consequently be substantially higher than the assessed value.

However, the Court gave Article 665 and Article XVI, Sec. 6 a very broad application, saying:

A construction of this codal article (445) so as to apply only to the shores of navigable streams would be too narrow and defeat the purpose sought to be obtained. It would be useless to build levees if it could not be protected. Moreover if there were any doubt as to the authority of the plaintiff to appropriate this land under the codal articles and statutes, the plaintiff had ample authority under section 6 or article XVI of the Constitution of this state which authorizes appropriation of property used or destroyed for levee drainage purposes. What is necessary for levee drainage purposes is a question of fact and levee boards have the responsibility of providing sufficient levees and levee drainage to relieve the state from the hazards of flood waters. 54 So. 2d at 216.

There was an application for rehearing, which was denied, but it was denied over the vigorous dissent of Justice Hawthorne who was apparently much troubled by the compensation issue. In a short, almost terse, but succinct opinion, he said:

Article XVI, section 6 of the Louisiana Constitution fixes the price for property actually used or destroyed for levee or levee drainage purposes at assessed valuation, but as pointed out in Wolfe v. Hargis 46 La. 315 (W.D. La.1911), the price so fixed is arbitrary but a frutality because the state had the right to appropriate property adjacent to navigable streams without any compensation under article 665. The assessed value is certainly not just and adequate compensation.

The right of the levee board to expropriate the property to be used for the drainage canal is not questioned. The serious
question here presented is whether the property because of its nature and location was acquired subject to the servitude imposed by article 665. If so the levee board may appropriate it without violating the provisions of U.S. Constitution, 24 U.S.C.A. at 129-130. [Emphasis added.]

Apparently the court realized that in vesting levee boards with such a wide discretion and power it had approached the fringes of constitutional permissibility because when it was next confronted with the issue, it reached a different conclusion.

In Delaune v. Board of Com'rs, 230 La. 117, 77 So.2d 749 (1956) landowners brought an action for the value of certain lands taken by the Board for the construction of a levee upon Lake Pontchartrain. The purpose of the levee was to prevent the overflow from the Bonnet Carre spillway from flooding the lake. The Board filed an exception of no cause of action based on Article XVI, section 6 and R.C.C. article 665. The trial court sustained the exception, but the Supreme Court held the exception should have been overruled because the question of whether the land was subject to the servitude is a question of fact which has to be resolved in a trial on the merits.

Section 6 of Article XVI, as we have theretofore found, provides for the payment to the owner of a gravity equal to the assessed value of his property taken for levee purposes; it does not and could not, for obvious constitutional reasons, bar a levee already separated from the public domain with a servitude. The fact that can be said with reference to the provision is that it may be liberally interpreted so as to sustain the taxing of property for levee purposes without resort to court proceedings when the necessity for immediate action is in the public interest and that a landowner may not enjoin or prevent the levee even though proof of the right of appropriation may not be as conclusive as that required for the recovery of compensation or resultant damages. 20 U.S. 28 (1913).

Evidently the Court was still not entirely persuaded that it had made the proper decision because just three years later it heard and decided another case which presented almost the identical issue.

The levee board sought to appropriate certain property along the Seventeenth Street Canal in Jefferson Parish in order to build a levee thereon. The canal, however, was not a navigable river or stream, but only a man-made drainage ditch. The land here was not subject to appropriation because, in the words of the court, it is not adjacent to, and does not border on, any navigable river or stream, but is situated along a canal.

Where lands are not shown to be riparian lands they are not subject to such a public servitude. ... This servitude comes into existence at the time the property bordering or the navigable stream is separated from the public domain.

In order to ascertain whether the particular piece of property appropriated for levee purposes is subject to the servitude imposed by article 665, it is essential to trace the title to the original grant when the land itself does not actually front on the stream. If that grant shows the tract was riparian property when separated from the public domain, then the next question to be determined, conversely with Wolfe v. Hurry and the Franklin case, is whether the property taken "is within the range of the reasonable necessities of the situation, as produced by the forces of nature unaided by artificial causes." Board of Com'rs. v. Pontchartrain Levee Dist. v. Barbo, 207 La. 364, 199 So. 584, 181 So. 1334 (1940) (Emphasis in original).

From these latter cases it appears that the Franklin Case, supra has been tacitly overruled. By limiting the lands subject to appropriation to those which are riparian in origin; and, 2) which are within the reasonable necessities of the situation, as produced by the force of nature, unaided by artificial causes, it is submitted that the riparian servitude is in a very favorable position to withstand a constitutional attack based on a denial of due process for overbreadth. Now that the evening ridge of Franklin has been discarded, the scope of the riparian servitude seems to be much more compatible with the traditional concept of police power i.e., a particular revolution desired to meet a particular exigency.

It appears that the courts have not been too reluctant in recent times to find that certain lands were free of the servitude. Board of Com'rs. for the Atchafalaya Basin Levee Dist. v. St. Landry Parish School Board 130 So.2d 692 (La. App. 2d Cir. 1963) held neither Article XVI Section 6, nor R.C.C. Article 665 was intended to allow the confiscation of property without adequate compensation for purposes not limited by the reasonable need to confine waters produced by the force of nature in the rivers and streams adjacent to lands affected by the servitude. Id. at 695. "Powell v. Van Dorn and Shingle Co. v. Board of Com'rs, 249 La. 508, 187 So.2d 715 (1966) held the land in question did not owe the servitude and hence could not be appropriated, but it was subject to expropriation upon payment of adequate compensation; thus, the defendant board would not be permanently enjoined from entering upon or disturbing the land in question. Thomas v. Board of Com'rs, for Pontchartrain Levee District 205 So. 2d 163 (La. App. 4th Cir. 1966) held the riparian servitude may be extended to water from property not bordering a navigable waterway where there must be a showing that the land was riparian in origin and secondly, that it is within the reasonable necessities of the situation, etc.

Closedly related to the whole question of the scope of the exercise or use of the servitude is the problem of the imposition of the danger threatening the public health or safety. This is analogous to the situation relating to the destruction of a building in the path of a racing fire in order to prevent the spread of the fire. The only difference between that situation and the exercise of the riparian servitude appears to be the difference between expropriation and appropriation.

The jurisprudence does not appear to have confronted the problem of levee servitude in terms of the imposition of the threatened harm. The problems has been dealt with, as discussed above, as one of reasonableness. One case has been discovered which at least discussed the problem of imposition, although it seems the statements therein are probably dicta. Also, it should be emphasized that the case was decided prior to Delaune and Barbo, supra.

The levee board sought to compel certain persons who were occupying certain dwellings on the banks of the river to vacate them in order that the buildings could be made to the levee. It was possible to do the work without destroying the buildings, but to do so would cost to (and there was only an $85,000 federal appropriation available which would have to be returned if the work was not completed on schedule), and increase the time required for doing the work (which could only be done safely and effectively at low water stage of the river). The occupants were ordered to vacate the premises and to allow their destruction, since they did not have any vestige of title or legal right to be there, and because even the riparian servitude would be required to suffer the consequences of levee repair and construction. See Board of Levee Com'rs. v. Kelly 225 La. 111, 73 So.2d 299 (1954).

In speaking of the reasonableness of the demands of the Board, the court said:

Such considerations as these [increased cost and length of time of doing the job] no doubt influenced the trial judge in resolving the factual situation presented to him in favor of the plaintiff. No manifest error appears in his findings. A levee board, in the exercise of its duty and responsibility in protecting the public health, the desire of floods does not exist unless the danger is present. The duty is rather to maintain the levees at all times in such condition of repair as to guard all possible peril of disaster. If in the performance of that duty a riparian owner suit before submitted his legal rights and his convenience to the public demands of necessity, certainly, as aptly concluded by the learned district judge, "the convenience of a group of building dwellers on the banks of the Mississippi River, who have no allegiance of legal right to temporary or permanent residence there, must yield its place to the reasonable demands of public necessity and economy such as appears in this case. ..." 13 So.2d 302 (emphasis added).

The rationale of the subsequent Delaune and Barbo cases would not change the reasoning of the court in Kelly in these regards: First, because the lands bordering the banks of the Mississippi River are unquestionably riparian in origin. Secondly, because "the reasonable necessities of the situation" test would be vacated and made meaningless if it were interpreted to mean that levee authorities would have to wait until a river was raging at flood stage around a sub-standard levee before they could act to protect the public interest by reparing the levee under the riparian servitude.
II. COMPENSATION.

Although it appears that there is a definite distinction between the amount of compensation paid for land taken under the power of expropriation and land which is appropriated under the exercise of the riparian servitude. This disparity in treatment will be briefly discussed here. But it must be emphasized that, despite the brevity of treatment, the author realizes that it is the compensation issue which is the crux of the entire problem. However, a thorough review of the jurisprudence convinces the view that the law on this topic is so well settled that a detailed discussion of authority would serve no useful purpose. For that reason, only the leading cases, or cases which clearly state the relevant principles, are here considered.

Although the major topic under discussion is the riparian servitude, the author feels that a better comprehension of compensation for land or other property taken under the riparian servitude can be gained by contrasting payments paid in exchange with compensation paid for land expropriated under the general power of eminent domain.

When land is taken for public purposes under the power of expropriation, "just compensation" must be paid under the Fifth Amendment to the United States Constitution. The U. S. Supreme Court has held no difficulty in defining "just compensation":

The Fifth Amendment of the Constitution provides that private property shall not be taken for public use without just compensation. Such compensation means the full and perfect equivalent of the property taken. The owner is to be put in as good position pecuniarily as he would have occupied if his property had not been taken. United States v. Miller, 317 U.S. 369, 63 S.Ct. 276, 279-280, 87 L.Ed. 336 (1943).

Although the Louisiana Constitution requires "just and adequate compensation" to be paid upon expropriation, it is submitted that the distinction between this provision and that in the Federal Constitution is only a semantic one. Thus, in State, through Department of Highways v. Harrow, 295 La. 987, 991, 166 So. 2d 703 (1960) the State's highest tribunal repeated the rule as to what constitutes just and adequate compensation in Louisiana.

In Housing Authority of Shreveport v. Green ... we said: "The general rule is that the measure of compensation to be awarded the owner in expropriation proceedings is the price which would be agreed upon at a voluntary sale between a owner willing to sell and a purchaser willing to pay in the words, market value of the property." (Numerous citations omitted), id., at 166 So. 2d at 701.

For a more recent recital of this rule, see Orleans Parish School Board v. Fontenot 390 So. 2d 641 (La. App. 4th Cir. 1980).

It is quite evident, therefore, that in all cases involving expropriation of land for public purposes the market value of the land must be paid, since it is this writer's contention that the 'full and perfect equivalent' test of Miller, supra, is set when the property's market value is paid.

In an early case the State Highway Commission argued that only the assessed value of the property taken for highway purposes need be paid. The court made short shrift of that argument, saying:

"When private property is expropriated for public purposes, adequate compensation must be paid and the amount of compensation is the market value of the property as taken. The assessed value may be considered as a factor in determining the true value, but it is not controlling. This is true because it is a matter of common knowledge that real property is not assessed in this State at its market value. The real or market value and not the assessed value controls. Louisiana Highway Commission v. Odle, 176 La. 382, 166 So. 1, 156 (1934)."

From the foregoing discussion it can be readily seen that market value must be paid for land taken for public use. Why then, is there such a discrepancy in the price paid for land used under the riparian servitudes? After all, the courts of this State have expressly recognized that the assessed value is in reality not the fair market value. Hudley, supra and Hawthorne, J. dissenting in Franklin, supra. The answer, if not obvious, is locational. Simply stated, when the State exercises its rights under the riparian servitude it is not taking anything. As discussed above, it owns the servitude. It succeeded to the rights of the French and Spanish crown and they had never fully divested themselves of title to riparian land. See Dickson, discussed supra.

The leading case on the compensation issue is Navy Contractors et al v. Board of Corps, 160 La. 777, 117 So. 506 (1928). Since it is always cited when the courts deal with the compensation issue vis-a-vis the riparian servitude, it is herein extensively quoted:

In 1900 and in 1904, ... the General Assembly authorized the Orleans Levee Board to expropriate certain property holders whose property had been appropriated, taken, or damaged for levee purposes; but with this proviso, that in no case should the amount paid exceed the assessed value of the property at the time ... .

Evidently therefore the General Assembly thought that in such cases the assessment would constitute the fair measure of the value of the property, and presumably the General Assembly meant to say the Constitution, it follows that the limit fixed was not a mere arbitrary refusal to allow the value of the property, but a legislative declaration that the measure of such value should be the assessment.

And whether or not such acts were or were not wholly constitutional even under that aspect is neither here nor there at present, since the Constitution itself in the very recent of compensation has fixed the assessed value as the limit thereof. But certainly, the Constitutional Convention had in mind the very same idea as had the General Assembly, to wit, that the assessment should be the test of value between the state and the property holder.

For presumably the Constitution meant to deal fairly not only as between the state and the property holder, but also between all property holders. And such would not be the case unless the provision that compensation should not exceed the assessed value was intended as a measure of just compensation and not a mere limit of compensation, id., at 117 So. 507-508. (Repetition in original).

The court was equally divided so a rehearing was granted. Under the then existing procedure, a Justice ad hoc was appointed to cast the tie breaking vote. On rehearing the original opinion was reinstated, with these comments:

Under article 112 of the Constitution of 1901, a right of action was given a riparian owner for the value of property

which must be taken for levee purposes. In Act 79 of 1909 the board of the Orleans Levee District was authorized to levy a tax for the purpose of identifying the owners whose property might be expropriated or destroyed in construction of levees. The word "indemnification" is used in this statute means ... to compensate for injury sustained. It was further provided for in that act that the compensation in no case should exceed the assessed value of the property. ... It is extremely doubtful that the Legislature had the constitutional authority to have the right of expropriation on the assessed value not to exceed the limit fixed in the Act, but, however valid this construction may be, it fails to show that the policy of the State, at that time, as expressed through its legislative department, was to allow to the riparian owner the assessed value of his property in "indemnification" or "compensation" for his loss. In Sec'y with this subject, the framers of the Constitution of 1909 did not use the来宾ence found in Act 79 of 1909 ... Instead of employing the words "indemnification" or "compensation" the word "price" was used in Article XII, Section 6 as meaning the "value" or of equivalent for riparian property which might be used or destroyed for the construction of levees.

I believe the word "price" was used in the sense above stated because the State had a right of servitude over property of that character which it had exercised, and to make the destruction of the improvements, without making any compensation therefor. (Citations omitted.) The amount to be thus awarded must be paid by the owners of land adjacent to navigable rivers by the framers of the Constitution was purely arbitrary.

* * * (Article XII, Section 6) was merely a constitutional provision conceived in a spirit of liberality towards the owner, but which amount was to be assessed by the assessor of the value of the property taken, and with the restriction that it would in no case exceed the maximum limit of the assessment. The value was therefore fixed within this constitutional limitation as an estimation, "award," or "compensation" to the owner. See also Richardsons v. Board of Levee Commr., 205 La. 57, 37 S.W. 31; Dufilho, supra Natchitoches v. Board of Commrs., 210 La. 66, 31 S.W. 335 (La. App., Apr. 4, 1939); Rabinowitch v. Standing Res. Contractors, 195 So. 2d 38 (La. App., Apr. 1st Cir. 1967); writ denied, 200 So. 2d 400.

There is one other element of the compensation issue that warrants attention here. If, in building a levee, property is thrown outside of the levee (that is,
placed between the levees and the water's edge, and is thereby unprotected by the levee, must compensation be paid therefor?

Article XVI, Section 6 speaks in terms of land "actually used or destroyed" for levee purposes and the courts have given this phrase a rather narrow construction, viz:

The Constitutional Convention of 1871 was evidently prompted, in adopting the provision, to lessen, so far as the means of public authorities would permit, the burden of the servitude sitting on lands bordering on navigable streams and growing out of the necessities of the situation. Care should be taken, therefore, not to carry the spirit of the provision beyond its clear intendment and thereby render, perhaps, the State liable to disturbance in the duty of protecting a large part of the public from inundation. Murphy v. Board of Commissioners for Caddo Levee District 17 La. 111, 190 So. 299, 296. *169

Thus not only any land be appropriated for levee construction under the riparian servitude with only modest compensation, but that compensation is only paid for that part of the landowner's property on which the levee actually physically rests.

**CONSTITUTIONAL ANALYSIS**

* * *

To State shall take or enforce any law which shall abridge the privileges and immunities of citizens of the United States; nor shall any State deprive any person of life, liberty or property, without due process of law, nor deny to any person within the jurisdiction the equal protection of the laws. Amendment XIV, United States Constitution.

It is within the context of the foregoing discussions that the constitutionality of the compensation that is paid when the riparian servitude is exercised, must be considered. It is the writer's considered opinion that the riparian servitude as it exists in Louisiana poses Federal Constitutional muster.

At this juncture, it must be pointed out that the "just compensation" provision of the Fifth Amendment has been incorporated into the "Due Process" clause of the Fourteenth Amendment. Chicago & R.R. Co. v. Chicago 166 U.S. 226, 17 S.Ct. 581, 41 L.Ed. 979 (1897). (This is necessary because some of the later cases, notably Helene v. Murphy 46 F.2d 523, 520 state, erroneously, that the Fifth Amendment does not apply to the States.)

In Chicago & R.R. Co. supra, the city was extending a street over tracks and property owned by the railroad but the railroad was still able to have the right to use the tracks after the street was extended. The railroad sued the city seeking just compensation for the "taking" of its property. A jury awarded one dollar as compensation. The Company appealed, claiming that just compensation was due under the Fifth and Fourteenth Amendments and that one dollar was not "just" compensation. The Supreme Court of Illinois affirmed. The United States Supreme Court as very sympathetic and consoled, saying at 17 S.Ct. 584 that "Due Process" means more than procedural due process. Due process is more than the fact that the petitioner has notice of the taking, that he made an appearance and was allowed to defend. Continuing, the court said:

But a State may not, by any of its agencies, disregard the provisions of the Fourteenth Amendment. Its judicial authorities may keep within the letter of the statute prescribed forms of procedure in the courts and give the parties interested the fullest opportunity to be heard, and yet it might be that its final action would be inconsistent with that amendment. In determining what is due process of law, record must be to have substance and not to form. *170 at 594.

The legislature may prescribe a form of procedure to be observed in the taking of private property for public use, but it is not due process of law if provision be not made for compensation. ... Due process of law as applied to judicial proceedings instituted for the taking of private property for public use means, therefore, such process as recognizes the right of the owner to be compensated if his property be vested from him and transferred to the public. *171

In our opinion, a judgment of a state court, even if it be authorized by statute, whereby private property is taken for the State or under its direction for public use without just compensation made or secured to the owner, is, upon principle and authority, wanting in the due process of law required by the Fourteenth Amendment of the Constitution of the United States. ... *172 396

The owner of private property taken under the right of eminent domain obtaining just compensation if he is awarded much or else, in all the circumstances, a fair and full equivalent of the taking from him by the public. *173

The Railroad Co. took its charter subject to the power of the State to provide for the safety of the public, insofar as the railroad and its lands and persons of the people were in the operation of the railroad. The company left its tracks subject to the condition necessarily implied, that their use could be so regulated by competent authority as to insure the public safety. And as all property, whether owned by private persons or by corporations, is held subject to the authority of the State to regulate its use in such manner as not to unnecessarily endanger the lives and personal safety of the people, it is not a condition of the exercise of that authority that the State shall indemnify the owners of property for the damage or injury resulting from its exercise. Property, thus dangered or liable to be in such manner as not to unnecessarily endanger the lives and personal safety of the people, can not be held by the owner without due process of law. The requirement that compensation be made for private property taken for public use imposes no restriction upon the interest power of the State by reasonable regulations to protect the lives and secure the safety of the people. 296. *174 990

However, the court went on to affirm the judgment of the State courts on the basis that it could not review facts found by a jury due to the prohibition contained in the Seventh Amendment. Thus, the value of the land taken was found to be one dollar.

The U.S. Supreme Court has had Louisiana's riparian servitude before it on several occasions. However, there appear to be only two instances where it was considered in any detail. Those cases are Edridge v. Treseman 160 U.S. 452, 16 S.Ct. 345, 40 L.Ed. 905 (1900); and General Buax Co. v. United States 351 U.S. 159, 76 S.Ct. 719, 100 L.Ed. 1055 (1956). In neither case was the Court squarely confronted with the constitutionality of the servitude, but the effect of the decisions seems to be a validation of it. *175

In Edridge, the facts were no different from those in any of the multitude of appropriation suits either before or after the decision. The landowner simply wanted more compensation than that provided under Louisiana law. The only unique arguments appear to be that since he was not a citizen of Louisiana, his land located here could not be used for the sewer compensation provided; and, that since he derived his title from A. U.S. patent, the land came to him free of the servitude.

The Court thoroughly examined the Louisiana jurisprudence and recognized the existence of the servitude. In fact, it appears that the court was quite impressed and favorably impressed with the servitude. It cited numerous cases which showed the French and Spanish origins of the servitude and the fact that its existence antedated the acquisition of Louisiana by the United States and that the previous sovereign had not diverted themselves of title to the servitude. In fact the court expressed some consternation at the decision of the State Supreme Court in Bass v. State of Louisiana 34 La. Ann. 494 which had justified the inadequate compensation on the public police. One cannot help but note the court's ruler, when it said at 16 S.Ct. 346:

But we do not understand that the Supreme Court of the State intended thereby to derogate the doctrine of servitude, explicitly declared in the case, and pronounced, through a long period, by many decisions. If, to approve the judgment in that case, it were necessary to hold that the State and its agents can take private property, wherever situated, and apply it to any public purpose, and escape from the duty of compensation, by taking such action an exercise of the police power, it is difficult to see how such a conclusion could be reached by the courts of the State in whose constitution it is to be found a provision that private property shall not be taken for public use without just and equivalent compensation. But, as we have said, it is not necessary to so read the decision in question, nor to consider whether, even in such a case, a remedy could be found in any provision of Federal Constitution.

Thus, as long as the appropriation is under the tax-honored servitude, the Court appears well satisfied with the compensation provided. As to Edridge's second contention, the Court referred to its earlier decisions under which it had held that each state is free to establish its own rules of property relative to riparian property as long as the rules are impartially administered. [288]
The significance of the decision is that it demonstrates the Court's willingness to approve the servitude since it burdened the land upon severance from the sovereign. Also, the court gave the states wide discretion to establish regulations for riparian property as long as they are uniform and fairly administered.

The case most often cited as sustaining the constitutionality of the riparian servitude is Wolfe v. Hurley, 46 P. 315 (O.C. W. Ia. 1901). The case was taken to the U.S. Supreme Court, but the decision was affirmed without opinion. 283 U.S. 801, 51 S. Ct. 493, 75 L.Ed. 1423.

Ordinarily, one would not place great emphasis on a lower court opinion such as that in Wolfe. But there are circumstances in this particular case which justify in-depth consideration. The circumstances are primarily that Judge Ben Dawkins authored Wolfe. As pointed out by Justice Douglas, in his dissent in General Box Co. v. United States, 351 U.S. 159, 76 S.Ct. 728, 100 L.Ed. 1055 (1956), not only was Judge Dawkins a Louisiana practitioner, he was also a former state district judge and a former associate justice of the State Supreme Court. He also was a member of the Constitutional Convention of 1917 and, most importantly, he authored Article XVI, Section 6.

In Wolfe, the plaintiffs owned certain land which the levee board had undertaken to grant and convey to the United States for the purpose of building a new levee. The plaintiffs claimed that they were entitled to "just compensation" under the Fifth and Fourteenth Amendments to the U.S. Constitution. In disposing of this claim, Judge Dawkins said:
welfare, and with little regard for the severity of the obligations imposed on the individual property owner. Nothing in the development of the servitude indicates that, before the State can exercise its obviously comprehensive rights, it must provide an opportunity to remove timber from bottom.

Since, as we hold, petitioner's property was effectively appropriated by state authorities pursuant to the servitude, the United States cannot be liable to petitioner for the value of the property. The State, as owner of the servitude, legally could have destroyed the timber without prior notice and without any opportunity for utilization of lassens, and yet be free of liability to petitioner. The destruction, it seems to us, was consistent with the rights of the State under the servitude. Rather than undertake the legal project which, how can anyone, counter the petitioner's timber to the United States. The petitioner, as done of those rights, could exercise them to their full extent without incurring liability, just as its donor could have done.

The petitioner sought compensation for the destruction of the trees based upon a claim that the "destruction of the timber was a [word illegible] within the meaning of the Fifth Amendment to the Federal Constitution." But this property was not taken by the United States in the exercise of its power of eminent domain. In effect, the timber was "owned" by Louisiana for levee purposes, and the United States succeeded to that "ownership" by "conveyance." Louisiana furnished its bottom as required by the law of both the United States and Louisiana for use in protecting the property in the State from floods. Petitioner did not assert in its complaint or in its question presented on petition for certiorari that the destruction violated the Due Process Clause of the Fifth Amendment.

The last sentence indicates that the Court did not consider the constitutional issue, but upon perusing the cases cited in the footnote to that sentence, one gets the impression that the Court felt the constitutionality was established. There are cited were Eldridge and Wolfe, supra, and the dismissal of the appeal in Franklin v. Board of Control, of the Tennesse River Gorge District, 352 U.S. 964, 72 S.Ct. 80, 96 L.Ed. 638 (1951). That appeal was dismissed for lack of a substantial federal question—based upon Eldridge and Wolfe.

There have been some cases before the High Court recently which have presented situations analogous to the riparian servitude. The principles are discussed here merely to show the Court's recent attitude on the subject in related areas.

Indicative of such a situation is U.S. v. Rands 389 U.S. 121, 80 S.Ct. 265, 19 L.Ed.2d 329 (1967). In that case the United States condemn certain lands along the Columbia River in Oregon for use in connection with a lock and dam project. The district court allowed compensation for the value of sand and gravel on the land and for its value in agricultural use. It denied compensation for its value as a port site, which meant that the owners received only one-fifth of the alleged value. The Court of Appeals reversed, but its decision was reversed by the Supreme Court. Under the commerce power, the United States has the right to regulate navigation and for this purpose, it has a "dominant servitude" extending to the entire stream and stream bed below the high water mark. Of this servitude, the Court said:

The proper exercise of this power is not an invasion of any private right in the underlying land. Consequently, when the dam is built, the water is diverted, and the navigability of the stream is destroyed, the damage sustained does not result from the taking of property from private owners but is occasioned by the dominion of the Fifth Amendment, but from the lawful exercise of a power to which the interests of riparian owners have always been subject.

In Griggs v. Alchon County 369 U.S. 84, 82 S.Ct. 531, 7 L.Ed.2d 585 (1962).

In Griggs, the landowners claimed that their property was "taken" by the United States by virtue of the fact that government airplanes flew over the land at low altitudes on a taking off and landing at a nearby airport operated by the government. These flights were at altitudes permitted by the Civil Aeronautics Board. As a result, the landowners had to give up their citizenship running business since the noise from the aircraft so frightened the chickens that they flew into walls, thereby killing themselves. Prior to that, production fall off. The result was the destruction of the use of the property as a commercial chicken farm. The Court of Claims held that the U.S. had taken an easement of flight over the property. The United States argued that under the Civil Aeronautics Act of 1938 it had complete sovereignty in the airspace and that every citizen has a right to travel in air commerce. Thus, since the flights were at minimum safety altitudes, they were in exercise of the declared right of travel. The Government claimed that without a physical intrusion of the property there is no taking. The Court, at 66 S.Ct. 1066, said:

"... If, by reason of the frequency and altitude of the flights, respondents could not use this land for any purpose, their loss would be complete. . . ."

We agree that in those circumstances there would be a taking. Though it would only be an easement of flight which was taken, that easement, if permanent and not merely temporary, normally would be the equivalent of a Fee interest. It would be a definite interest in complete dominion and control over the surface of the land. . . . The owner's . . . beneficial ownership would be destroyed.

There was, in other words a taking by the government. For that taking the Court awarded the landowners the value of that which they lost.

The same result was reached on essentially the same facts in Griggs. The only apparent difference in the facts was that Congress had redesignated the navigational air space of the United States to include that space necessary to take off and land airplanes; and, that a local, rather than national, governmental agency was being sued.

On more substantial investigation of these cases the distinction between then and the exercise of the riparian servitude is clear and obvious: In the exercise of the riparian servitude there is no taking. The State already owns the servitude or easement. In these takings of flight easements, the government did not own the easements over the property. They took them and thereby caused the damage.
CONCLUSION

In conclusion, therefore, the writer reiterates his conviction that the riparian servitude is not violative of the provisions of the Fifth and Fourteenth Amendments to the Constitution of the United States. Although the cases are not clear as to whether the validity is due to the fact that the sovereigns never divested themselves of title to the riparian land; or, whether the constitutionality is founded upon a valid exercise of the state's inherent police power, but the author submits that either ground, independently of the other, is sufficient to exclude the servitude from the purview of the Fifth and Fourteenth Amendments. Also, the above-mentioned theories, if not sufficient independently of each other, certainly compliment each other so that together they create an exception to the general rule of just compensation.
COMMITTEE ON REVENUE, FINANCE, AND TAXATION
I. Minutes

A. Full Committee Minutes

The Chairman, in introducing Convention Treasurer Herman Lowe, stated that the Committee had been asked to estimate its budgetary requirements; including per diem, proposed travel allowances, etc. Treasurer Lowe suggested that the Committee authorize its

Chairman to determine the number of Committee meetings and report same. The Chairman suggested that, prior to determining such a meeting schedule, the Committee first review the material to be considered.

A motion by Mr. Lowe for the Committee to submit its proposed budget on March 17 passed.

A motion to adopt the permanent Rules of the Convention as the Rules of the Committee was offered by Mr. Winchester. The motion carried.

The Chairman then suggested discussion of possible topics, speakers and research to be included in the Committee's deliberation. Mr. Lowe suggested inviting Emil J. Maclasz of the State Treasurer's Office to address the Committee. The Chairman then requested Mr. Norris to review the material distributed to the Committee (attached hereto).

The Committee requested a list of Constitutional provisions on Revenue, Finance, and Taxation which are obsolete. Mr. Norris stated the list was to be distributed momentarily to the Committee.

Mr. Norris reviewed "Provisions of Louisiana's Constitution of 1921 Possibly Obsolete", and explained the contents of folders distributed to the Committee members. This data included:

1) Tax Guide prepared by the State Department of Revenue;
2) Thirty-second Report of the Department of Revenue;

3) Budgetary and Fiscal Organizational Chart of the State; and
4) State of Louisiana Budget for 1972-73.

Also distributed to the Committee was a list of "Topics Which Possibly Are Issues Needing Consideration by the Committee on Revenue, Finance, and Taxation". The Chairman then suggested that the Committee stand at ease to attend the Governor's Press Conference on Bussie vs. Long and Tax Equalization, scheduled in the Governor's Press Conference Room for 11:00 a.m.
The Committee returned to recess at 12 Noon for lunch.

At 1:30 p.m., the Committee resumed the meeting with the Chairman requesting Mrs. Duncan to review the pertinent 1921 Constitutional provisions.

Mrs. Duncan reminded the Committee that it was charged by Convention Rules to cover in its deliberations the areas of: Assessors and Assessments, State Finance, Management of State Funds, Exemptions, Revenue, Taxation, and State Debt.

Discussion from the Committee members ensued on the scope of subjects and responsibility of the Committee. Mrs. Duncan reported that it was her understanding that the Committee itself was to determine the areas it would study. Later, if the areas conflicted or overlapped with those of other committees, the Coordinating Committee and the Research Director would meet and so determine necessary guidelines.

Mrs. Duncan reviewed the Constitutional provisions which had been determined by the Research Staff to relate directly to the areas of Revenue, Finance, and Taxation. Copies of this list, from the Table of Contents, were distributed.

Mr. Chehardy, following discussion of the pertinency of certain provisions, recommended to the Committee that it would be wise to confine the scope of Committee study to Revenue and Taxation proper. When in doubt, he suggested, compare the relation of the subject to the goal.

Mrs. Duncan, in voicing her ideas of the purview of the Committee, included the problem of Property Tax and its levies both on the State and local levels, the collection and disposition of those taxes, all other taxes insofar as Constitutional inclusion exists, exemptions, bonds and bonded indebtedness of the State and local governments, management of State finance, management of local government finance and its limitations on debt, investment of idle funds, appropriations and dedications.

Mrs. Duncan urged the Committee to explore the possibility of new methods of taxation and finance.

Mr. Slay suggested that the group divide into subcommittees based on members' preference and expertise and report their findings to the whole committee at its next meeting.

The Chairman reviewed the agenda which listed the first consideration to be Review of Topics To Be Considered. He stated that following that the Committee would divide into subcommittees. He suggested it premature to proceed with subcommittee assignments until it was decided what topics the Committee would study.

Mr. Winchester voiced his view that a subcommittee, with its specialized knowledge, could better recommend whether or not the Committee should consider topics. He further stated that his personal confusion in some areas prompted this sentiment.

The Chairman expressed understanding of the dilemma, but said the decisions made during the day need not be irrevocable. He stated that there was indeed a broad field of interest and background represented in the group, but that his idea was to obtain a broad view of the subjects, and to establish some guidelines as to what to consider. Once these determinations were made, it was his idea then to divide the topics for subcommittee study and deliberation.

Mr. Love suggested that the Committee proceed with the material as read and that the provisions be retained for consideration unless unanimously deleted. He further suggested that if even one objection to a proposed omission was heard, that the item be retained. This suggestion won unanimous concurrence.

Mrs. Duncan completed review of the pertinent provisions of the existing Constitution, with the understanding that a revised list of those provisions with additions and authorized omissions would be supplied on the following meeting day.

The Chairman then recommended that the Committee survey the discussed material overnight and return in the morning session to divide itself into subcommittees and assign articles thusly.

Senator Nunez suggested that perhaps the whole Committee should hear some witnesses on the various topics before breaking up into subcommittees.

Mr. Smith pointed out the necessity of prudence in determining what was to be included in the Constitution and voiced opinion that a lengthy document would not be approved.

Mr. Planchard requested that an expert in State Finance be called to instruct the Committee on its overall operation, pointing out that the assessors had a specialized viewpoint, and various sections were represented. He also requested an authority on bonding be heard, and reiterated his opinion that the group needed a broad viewpoint in order to better understand the subjects under consideration. In answer to the Chairman's question, Mr. Planchard said that he felt that speakers should be heard before the Committee began its subcommittee study.

In response to the Chairman's request for suggestions, Mr. Slay chose for immediate subcommittee assignments, reasoning that the more quickly a delegate was assigned to a subcommittee and its specific work, the quicker the whole Committee would have recommendations.

In reference to the March 15, 1973, decision of the 19th Judicial District Court in the Case of Russie vs. Long on...
tax equalization (decision attached hereto), Mr. Chehardy rose to speak. In his remarks he stressed the serious nature of tax equalization and his view of the ramifications of the aforementioned decision. He further urged the Committee to "go into the whole problem of tax equalization right now, because every citizen in this state is eying this decision with deep fear and misery. Don't think it's a joke, because when it hits, it's not going to hit in just one area, one parish."

Mr. Chehardy stated that he felt there was time and opportunity to remedy the situation and that the Committee was in a position to stem the impact of equalization. He reiterated the "deadly" seriousness of the matter citing examples of the problem in other states such as New Jersey and Florida.

Passage of the proposed Constitution, Mr. Chehardy continued, might well rest on the solution the Convention provides to the property tax issue. Voicing the thought that the tax equalization problem could be solved in the proposed Constitution, Mr. Chehardy said he would like to see the Committee as a whole discuss tax equalization first, with a view to solving the problem.

Mr. Chehardy moved "that the Committee as a whole study the problem of property tax equalization first off with a view of determining what steps are necessary to combat this evil scheme."

Mr. Triche offered an amendment to the motion to read all phases of ad valorem taxes

Mr. Winchester voiced opposition to the motion, stating that it was "not the proper time nor the proper place for the problem to be taken up", and that discussion be delayed.

The Chairman called for a second, which was supplied by Mr. Planchard.

Senator DeBlieux suggested that the Committee divide itself into subcommittees for intensive study of the various categories encompassed in the Committee responsibilities, that a subcommittee on ad valorem taxes "could probably do as good a job as the Committee's twenty-three members".

Mr. Lowe offered a substitute motion that once subcommittee assignments were made, the Committee in future meetings proceed to sit as a Committee of the whole the morning of the first day to hear those invited to speak that the remainder of the day and the morning of the second day be used in subcommittee; and that the afternoon of the second day, the Committee of the whole hear subcommittee reports.

Senator Brown voiced feelings that the Committee's deliberations were floundering and asked what information the Committee was to consider. He further stated that the original Convention bill specified that this period was to be "an intensive information-gathering period" and that the research staff would study in depth every possible solution or every possible side of a particular issue and give to the committee complete information gathered.

Senator Brown pointed out that he felt the research staff assigned to the Committee was inadequate for its needs. He also said that the time limitation and the pending legislative fiscal session would greatly inhibit the Committee's work.

Gathering information was the prime responsibility of the Committee, Senator Brown said, not recommending action. The Committee must do its research. He said that he wanted "to know what every single state is doing in the area of property tax equalization and what alternatives all of the research organizations throughout the country have recommended. He said he wanted these listed in a guide "one through fifty."

Senator Brown reiterated his call for suggestions as to how the Committee could best gather information.

The Chairman then advised the group that the complete research staff would be available to "this Committee and all other Committees" to do as much research as it possibly could.

Mr. Champagne called for "a frank, limited discussion" of individuals' research to be presented to the Committee. He reported that he had requested data from the research staff including information on what other states are "doing about taxes on moveables". The speaker declared that "new light has shown upon this Committee by the ruling of the judge." He outlined some of the related examples of topics to be considered, including homestead exemptions, and asked for a sharing of ideas and views.

Mr. Chehardy addressed himself to clarifying some of his earlier remarks which have been transcribed verbatim and are attached herewith, along with copies of references). In closing, the speaker reiterated his plea for open and full discussion of tax equalization.

Mr. Winchester asked the Committee to determine the obligations of the Committee and how the members were to fulfill those obligations.

Dr. Hauberret declared that he certainly observed that the ad valorem tax issue was the biggest problem in Louisiana at this time, and should be the number one issue to be taken up, and agreed with Mr. Chehardy that the subject should be considered by the Committee as a whole.

The Chairman called for the question on the substitute motion.

Senator Nunez stated that he thought the Committee must decide between the prime function of the Committee and the
immediate function. In his comments, he stressed Property
Tax Equalization as the first priority for Committee consideration.

After stating his doubts as to the advisability of consider-
ing Tax Equalization, Mr. Fontenot suggested that the Committee
proceed with subcommittee work and then, if time permitted,
consider that special problem.

Mr. Newton agreed that the ad valorem problem was the
biggest problem facing the Committee, but that it should be
considered in relation to the other problems. He then urged
adoption of substitute motion.

Mr. Smith then voiced his support to considering the tax
equalization problem as a Committee as a whole.

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Mr. Lowe urged that the Committee determine a framework
"to get on with Committee work".

The vote was called for on the substitute motion which
failed to pass on a nine to eleven count.

Discussion followed with the resulting substitute motion
by Senator DeBlieux to establish subcommittees with assignment
of duties and subject matter for each, and set a date for
a meeting of the Committee as a whole to be well-publicized
for hearing and debate. The motion was ruled out of order.

After more discussion, the Chairman called for the question
on Mr. Triche's amendment which passed without objection.

Senator DeBlieux moved to reconsider the preceding substitu-
tion motion. The motion to reconsider failed to pass.

The Committee then determined it would continue to schedule
its meetings bi-weekly on Friday and Saturday, with sessions
to start at 10:00 a.m. on Friday, and 9:00 a.m. on Saturday.

Following discussion on the mechanics of such hearings,
Mr. Planchar moved that the Chairman appoint a subcommittee
to meet following Friday's session and report Saturday how
the March 30 and 31 Committee hearings on Ad Valorem Taxes
should be scheduled and who should be heard. The motion
was carried without objection.

The Chairman named Ksrs. Champagne, Chehardy, Conroy,
Triche, and Senator Brown to serve on the subcommittee and
suggested they select a chairman if they so desired.

Following a brief statement of the proposed agenda for
Saturday, March 17, the Chairman stated that without objection,
the Committee would stand recessed until 9:00 a.m.
Saturday, March 17, in the Senate Chamber. There being no
objection, the Committee so recessed at 4:30 p.m.

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The meeting was reconvened by the Chairman at 9:25
a.m. and the roll was called.
Mr. Slay moved that the hearings, including the Committee discussion and speakers, be tape-recorded in their entirety. The motion carried without objection.

Mr. Fontenot asked what measures were to be taken to publicize the hearings.

Mr. Triche stated that the subcommittee had recommended that the staff be responsible for publicizing.

Mr. Mire asked if the Committee would have the opportunity to question the experts at any time.

Mr. Triche said yes.

Mr. Winchester observed that the publicity would take care of itself, in the form of interested groups and the various views to be expressed. He cautioned against additional spending for publicity.

The Chairman then stated that he and the staff concurred in the belief that since a subcommittee on Ad Valorem Taxation would include the whole Committee, that only two subcommittees would be necessary and that one would be assigned Revenues (other than Ad Valorem Taxes) and the other Public Finance.

The Chairman requested that Mrs. Duncan review the topics assigned to each committee (as described in Staff Memo No. 1 attached hereto). Following this review some discussion was heard.

Mr. Triche asked if the two subcommittees would be able to cover adequately all of the topics mentioned and that the Committee consider naming six or seven subcommittees to study the two main divisions of subjects.

The Chairman responded that each of these two subcommittees recommended could, at will, subdivide into smaller groups to cover the material and suggested that this was a possibility. Mr. Triche concurred.

Mrs. Duncan then called to the Committee's attention a guide to the existing Constitution's provisions relative to the subcommittees' assigned areas of consideration and arranged thusly: (attached hereto and referred to as Staff Memo No. 2) and to the revised "Enumeration of Subject Matter. . ." by Article, Section and Content of same Constitutional provisions (afterwards referred to as Staff Memo No. 2 and attached hereto).

The Chairman pointed out that the subcommittees had the privilege of adding to or subtracting from the data recommended.

Mrs. Duncan agreed and reviewed with the Committee the subcommittee assignment lists (hereafter referred to as Staff Memo No. 3 and attached hereto).

The Chairman stated that subcommittee members could trade memberships on subcommittees and also subcommittees could select their own chairmen.

Mr. Edwards moved that Article VII, Section 65 be considered with Ad Valorem Taxation by the Committee as a whole. Motion carried without objection.

Following the Chairman's suggestion that the Committee adjourn to subcommittees, Mr. Slay recommended that the Chairman name temporary subcommittee chairmen. The Chairman so designated Mr. Slay for the Revenue Subcommittee and Mr. Badeaux for Public Finance.

A discussion followed on the scheduling of meeting dates with Mrs. Duncan explaining the requests for limitations thereof by the Executive and Composite Committees, respectively. Other conflicts on scheduling were also enumerated.

Mr. Smith asked for a leave of absence from the March 30 and 31 hearing dates. This was granted without objection.

The Committee's decision was to retain the originally established meeting schedule and, in ensuing meetings, to devote the morning sessions of the first days to committee study, the afternoon and following morning sessions to subcommittee meetings and to, on that afternoon, return again to the full Committee for reporting.

Mrs. Duncan reviewed the dates presently scheduled for the Committee including: March 30-31, April 13-14, April 27-28, May 11-12; May 25-26, June 8-9; June 22-23.

Mrs. Duncan reminded the Committee that it has been strongly recommended that all Committees transmit their reports, proposals, and other data to the Research Staff for study before July.

Mr. Slay asked if there was not a Convention Rule adopted stating that the various substantive committees were to have their proposals prepared sometime in June so that the delegates could review them in advance.

Mrs. Duncan then quoted Rule 40 of the Convention's Permanent Rules: "Committee proposals prepared and approved by the several committees of the Convention prior to July 5, 1973, shall constitute the first proposals to be introduced in the Convention and shall be introduced by the Chairman of each committee or his designee, and shall bear the signature of a majority of the members of the committee. These proposals as far as completed shall be mailed to all Convention delegates on or before June 22, 1973".
Discussion followed, pertaining to possible committee proposal and reporting deadlines.

Mr. Lowe suggested, in connection with the various time limitations and recommendations, that the Committee go on record with the Executive Committee stating that compliance with such limitations would impose hardships on the Committee in fulfilling its responsibilities and delivering the product by the time mentioned.

Mr. Newton requested that the Research Staff prepare material on the solutions to Ad Valorem Taxation problems used in other states. The Chairman indicated this research was presently in progress.

Senator Brown requested a copy of the Bussie vs. Long decision. The Chairman stated that copies were available.

Mr. Conroy requested a leave of absence for the April 13-14. The request was granted without objection.

Mr. Champagne observed that the March 30-31 hearing might not receive sufficient publicity, and urged the Committee members to contact each of the news media in their home areas to tell them about the hearings and to stress that public participation was invited.

Mr. Lowe suggested authorization by the Committee for the subcommittees to set meeting dates for the two additional days as approved in the estimated budget.

Mr. Triche observed that after the convention considered the various proposals in July, those proposals pertaining to Revenue, Finance and Taxation would be returned to the Committee for further study and final recommendations. He voiced the understanding that the Committee was presently to investigate and compile information in order to determine what problems exist, and to give the public an opportunity to voice its wishes.

Mr. Triche continued, that instead of meeting twice monthly in Baton Rouge that the committee schedule its meetings throughout the State. He further suggested that the Committee ought to meet more than just twice to consider property tax problems, and that at least one day hearings be conducted in areas such as Lake Charles, and Alexandria. In addition, the subcommittees ought to meet in other locations throughout the State. He suggested allowing the subcommittee chairmen to fix dates and sites for meetings.

In that context, Mr. Triche moved that the Committee of the whole, acting as the Subcommittee on Ad Valorem Taxation, meet at least two other times or for four meeting days in cities other than Baton Rouge and that the subcommittees should also meet in other cities.

Senator DeBlieux suggested that at least half of the sixteen scheduled Committee meetings be held in other cities, and offered the suggestion as a substitute motion.

The Chairman voiced the view that the subcommittees should not be limited to meeting places away from Baton Rouge, and that until the subcommittees meet, such decisions should be left to the discretion of the subcommittee.

Senator DeBlieux asked if the sixteen scheduled meetings were for the entire committee or included subcommittee meetings.

The Chairman responded that the sixteen meeting limitation was merely a suggestion of the Executive Committee for budgetary purposes, and that if necessary the number of meetings could be revised.

Mr. Lowe observed, after a brief discussion on meeting procedures, that were the Committee to decide to meet outside of Baton Rouge, that determination should be made with adequate leeway for budgetary planning, because of the necessity for staff members' travel expense requirements.

Mr. Slay suggested that in meetings succeeding the March 30-31 hearings Friday be devoted to the work of the Ad Valorem Taxation Subcommittee and Saturday to other matters. He stated his desire to hold such meetings in locations other than Baton Rouge but including Alexandria, and including the different areas of exemptions.

The Chairman suggested postponing specific planning until after the forthcoming hearings.

Mr. Champagne voiced hope that the decision need not be made immediately. He pointed out that first the Committee must decide the extent of the problem and then determine its possible solutions.

He further stated that the Committee, because of the severity of the Tax Equalization problem, might deserve additional time and funds for deliberation if necessary to the solution.

Mr. Winchester stated that monetary considerations should not limit the work of the Committee, and that no one should dictate how often meetings should be held.

Without further discussion the motion as stated by Mr. Triche carried without objection.

Mr. Chehardy spoke in clarification on Ad Valorem Tax Equalization to the Committee. A verbatim transcript is hereto attached.

Following this period, the Chairman suggested that the subcommittees meet following adjournment of the Committee of the whole.

Without objection, adjournment was so ordered at 10:45 a.m.

Senator R. B. Haydn, Chairman

Sheriff Frank R. Edwards, Jr., Vice-Chairman

Charles E. Hoener, Ill., Secretary
NOTES
"Taxes and Industrial Location"
by John Garwood is reproduced at 5

CONSTITUTIONAL CONVENTION OF 1973

MEMORANDUM: Decision of the District Court in the Case of Russo, ET UX vs. Long, ET AL, Rendered March 15, 1973

In Russo v. Long, the 19th Judicial District Court held the Louisiana Tax Commission was violating state law and federal constitutional provisions in administering the Louisiana property tax system. It found that state law requires assessment at actual cash value and that the 14th amendment of the U.S. Constitution is being violated because of discrimination and inequality in assessments, this inequality existing both within parishes and between the various parishes in the state.

The court ordered the commission to work toward assessment at actual cash value in accord with state law and to establish a plan of property tax assessment that would remove the inequalities and discrimination prohibited by the 14th amendment. The commission was granted until January 1, 1975 "in which to make full compliance" with the court's orders.

The commission argued that recent constitutional and statutory changes had removed the requirement of assessment at actual cash value. But the court concluded there are still at least 14 instances in the state's law requiring actual cash value as the standard of assessment, and which require the commission to fix that standard.

More important, the court rested its decision on federal constitutional grounds, citing U.S. Supreme Court cases directly in point which interpreted the 14th amendment to require equality and uniformity in property taxation. Besides resting on equal protection, the court concluded that due process also requires uniformity in assessment for taxing purposes, and that failure to provide that uniformity results in depriving citizens of property without due process of law.

The court also made a finding of fact that the present system results in inequality of assessment both within parishes themselves and between different parishes in the state.

One home in Jefferson Parish sold for $12,500.00 and was assessed for $2,100.00 whereas another home in the same parish which sold for $12,300.00 was assessed for $400.00.

In this example, the first homeowner is made to pay more tax (same millage for both) on his property even though both parcels of property are of the same value and equality requires they pay equal tax.

Along the same lines, when a state tax is involved, that same inequality arises when assessments in different parishes are not the same percentage of actual value. The same is true for districts which cover more than one parish.

This state court decision goes beyond the decision of the federal court in Levy v. Parker, 346 F. Supp. 897 (E.D. La. 1972). There, the court was concerned with state property taxes and the Property Tax Relief Fund, which were declared unconstitutional because property in various parishes was assessed on different standards and without any uniformity.

This case concerns parish and multi-parish district taxes, also, and finds an invalidity in those taxes because of lack of uniformity and inequality within parishes and between parishes in a multi-parish district. And because the decision rests on federal constitutional grounds, a change in state law removing in all instances the necessity for assessment at actual cash value would not change the effect of the decision. Equality would still be required.

This could possibly be done: (1) By requiring actual cash value assessment in all parishes or a percentage of actual cash value in all parishes. (2) If state property taxes and multi-parish district property taxes were removed, then assessment within a parish for parish taxes would all have to be at actual cash value or the same percentage of actual cash value.

REMARKS OF LAWRENCE CHEIARDY
TO THE COMMITTEE ON REVENUE, FINANCE, AND TAXATION
March 16, 1973

Prior to my becoming assessor, there was a study committee formed, a tax committee on equalization advising the Louisiana Tax Commission, which tax commission ordered tax equalization in the State of Louisiana in January or February of 1966. I have the telegram still.

I took notice one day and found this miserable scheme being foisted on the State of Louisiana. If anything, the assessors have stopped for eight years what you have finally started to try to put into effect as of two days ago. But, of course, you have to remember some of the laws the Senate and the House passed and which was ratified as Constitutional amendments which have already started to erect a barrier in this court action.

But I want to get back to Mr. Champagne. You said
about tax on movables. For example, we inherited a system where tax rate in my parish aggregates on an average from one hundred to one hundred and thirty dollars a thousand of assessments. Other parishes have twenty-five dollars a thousand or, I believe, twenty-seven might be the lowest millage in the state. Other areas get eighty mills; St. Bernard, I believe, has around a hundred mills. Some parishes have around one hundred and twenty mills also.

Chehardy Statement

To bring into focus assessments statewide, and millage rates, tax rates is a distinct impossibility. The best way to give you an example of what is happening, more than anything I can tell you, is to "gift it", that's what the insurance company goes by. I have here an article, and it was sent to me by people who formerly lived in your district, a very prominent doctor who was in Boston. This was on August 2, 1970. This is a state, an area, which put into effect what Senator DeSalleux's clients asked for. This reproto in this Boston Sunday Advertiser, August 2, 1970, one of the many articles I acquainted the people in my district with. Here's what he said:

(Reference attached)

This is not Chehardy speaking; this is not an assessor anywhere saying this. This is a man reporting the results of this scheme.

(Continues quote)

This is not rumour; this is factual. We are looking into the track result of this action, of this decision this court rendered, which I say I defy.

(Continues quote)

Remember, we can change it before it happens, and I've been warning for eight years, and most assessors have been warning for eight years.

And we could go on. In New Jersey, for example, they pointed out that by putting into the system, "it's (get quote as attached "H")

In Florida, the first year it went into effect, 2

Chehardy Statement

and where they love to tell you millage will be lowered, to give you a concrete example, in Jacksonville, Florida, in 1964, they collected twenty-seven million. In 1965, tax equalization, this very wonderful "horrible", not wonderful, "horrible" system was put into effect, they promised to lower it by lowering the millage. In other words, lower the millage and you increase the taxes. In the next year, you know how much taxes they collected? Forty-nine million. The taxes practically doubled the first year. This is historical evidence. And this is common. This is in California; this is throughout America, wherever they put in this system. They always put it under the guise of correcting inequality in assessments, because they have to have some excuse to push the tax burden on to those least able to pay. Everyone that has fostered this, for example:

(refered to Page 10, Bussie vs. Long attached)

But the point is, many of you all do not know these problems. I think you're charged with the greatest single responsibility that's ever faced this state by any legislative body.

This is why I'm so insistent that we as a whole group...

(refers member by member to situation in parishes represented)

It's a bad system. When you start going after the little homeowner to try to raise the funds today that six million dollars of industrial exemptions have taken from us.

Chehardy Statement

We have six million dollars in industrial exemptions. For example, here's a study make that shows industrial exemptions the least inducement to a new industry is the lower taxes. That's the least reason they will come to our communities.

So there are so many issues to consider.

STATEMENT BY LAWRENCE CHEHARDY TO THE COMMISSION ON REVENUE, FINANCE, AND TAXATION -- Saturday, March 17, 1973

One of the areas which I feel is not subject to too much debate or too much argumentativeness would be the Homestead Exemption, which is, of course, one of the most important things we have to study.

At the recent Extraordinary Session, the Homestead Exemption was written in that provision of the Constitution. If there is no objection, I would like to explain the Homestead Exemption as it stands today in Louisiana.

If we can accomplish understanding this to its full extent and its full value to the people, and decide whether to enlarge it or not enlarge it, where we stand on it in relation to tax problems, we will have accomplished plenty.

Now, the first provision today on Homestead Exemption is contained in Article X, Section 4 and as amended at the
special session, provides that every homeowner who has a homestead to the full extent of $2000, and if a veteran, $5000 for the period involved in this $5000 exemption.

The most important change that took place at the extraordinary session was that whereas the $2000 Homestead Exemption, as previously in our Constitution, was limited to the amount of money on hand in the State Property Tax Relief Fund, to reimburse the communities granting this money. That was how it was limited.

In other words, once the Property Tax Relief Fund was

Chehardy Saturday Statement

destroyed by the decision of the Circuit Court in New Orleans, then technically your Homestead Exemption was at an end. You had no Property Tax Equalization Fund from which to reimburse communities, then you were prohibited under the existing law for granting a Homestead Exemption. In other words, it was not a pure right given to the citizens of Louisiana. It was a right conditioned upon the money in the Property Tax Fund. Now that was taxation structured.

So, it was solved at the Extraordinary Session in this fashion:

Number One -- The right was made absolute. The Homestead Exemption was then granted per se, of right to every citizen of Louisiana that owned a home. In other words, the Senate, the House proposed it, the people passed it. The $2000 exemption was really not dependent upon any reimbursement of any money whatsoever. It was the first time in Louisiana that you had Homestead Exemption guaranteed to you despite any reimbursement of any type of money.

Next thing -- Over the years, the homestead fund had deteriorated or had been imposed upon by excepting from the Homestead Exemption various taxing districts such as districts that were not parishwide and special districts that were not included. And it finally narrowed down basically where there had to be a parishwide district before it could fall under the Homestead Exemption.

CHEHARDY STATEMENT SATURDAY

Therefore you had special fire districts not subject to Homestead Exemption unless they were parishwide districts, and in some parishes hospital districts not subject to Homestead Exemptions, unless they were parishwide districts. And, basically, you had added more and more things which were not subject to the Homestead Exemption.

As amended, the law preserved those districts that had already enacted free of the Homestead Exemption certain bond issues such as certain districts, as hospital districts and other types of districts, preserves and upholds those as not subject to the Homestead Exemption, because you today have already created a debt. But, henceforth, with the passage of this Constitutional provision, everything is subject to the Homestead Exemption. There is no more exclusion.

So the people of the State of Louisiana today, whether they really realize it or not, have been given a total exemption.

This is all future, if I understand it right.

What tax roll will it commence on?

WINCHESTER: Nineteen-seventy-three. The exemption is there. But what he's talking about is this, for example, we have a hospital which was not subject to the Homestead Exemption, because of specific exclusion by an amendment to the original Homestead Exemption clause, those are preserved.

You know, they are already on the books; they have to pay off their debts, and the communities would have no other source of getting that money. Therefore, those remain are not subject to Homestead Exemption.

Now, Number One, we said is that the Homestead Exemption is no longer dependent upon reimbursement.

Number Two is that it no longer includes districts of certain types. It is no longer limited. It is really a Homestead Exemption in the true sense of the word, a guaranteed right to the people.

My proposition is that, as it stands today, definitely it should never be touched except to be enlarged. And, if anything, that would be that when we get into the positive argument on what to do about it would be whether or not we should go into a larger Homestead Exemption, as a possible stopgap between any possible implementation of equalization.

Now, the other thing that was accomplished that came about in this same particular amendment, since the Property Tax Equalization Fund was abolished in view of that decision, they set up a revenue sharing plan. And this revenue sharing plan, in the Constitution, guaranteed, I believe, $80 million to go back to municipalities as a revenue sharing plan, but only as a base.

So the next thing is, should we consider increasing that fund? Not decrease it.

Now, the whole point of this conversation is, we have before us an amendment that was passed by the people of this State already, dealing with their Homestead Exemption. It
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just passed a few months ago and is new law in our books and
the Constitution.

I think it's a provision that we should not deal with,
not a provision that should be fooled with, other than two
things. The thoughts strike me. Number One, its basic
formula. In the basic formula guaranteed for revenue shar-
ing — should it be enlarged?

Let's take that first. If we go into that, what we have
to realize is that that $80 million base substituted for the
Property Tax Equalization. And I'm sure most of you are
familiar with it.

But that was a formula that was created pursuant to the
original Constitutional provision by the Legislature and
established a formula based on monies received from income
taxes, public utility taxes, and alcoholic beverage taxes.

That fund, possibly less a reportable through something
like $200 million, so that maybe we should consider a base
in excess of $80 million. Maybe a base of $120 million to
go back to the community.

The next thing would be the Homestead Exemption itself
as to veterans. Well, that would be the third one.

The second point is the present, the $2000 basic Home-
stead Exemption. Should we consider the $3000 or possibly
the $5000 or, as I originally pushed for and I always thought
would be the greatest thing that I could ever accomplish in
this State and would build an endless labor supply, would be
in the field. They really do not understand how silly this
is to have six billion dollars. I don't think there's an
assessor that can't tell you how much it hurts him, to see,
its hurts when they're raising money in his community to see
that much erased off the books.

We have already, I believe we're up to almost 250,
that we have no control over in our parish. That's removed.

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at the state level by the state board. Now that's an
area to be considered and that's in direct relation, be-
cause if that money comes back into the coffers of the State
and entered into the taxable areas of the various communi-
ties and the various parishes, you do not have, you do not
get as great a concern in giving more Homestead Exemptions
to homeowners.

At the very least, we should throw out for discussion
the problem of increasing the Homestead Exemption.

The next thing is the veterans. And I advocate that
this question of extending the $5000 exemption for the vet-
eran for five years at a time is ridiculous. And I believe
that if there's any one group that we owe anything to and
it's going on anyway, we should make the veterans' exemption
a permanent thing. If it should be a $5000 exemption, if
that's where it remains, it should stay there. It should
never be decreased. We should stop this five years at a
time, six years at a time. To my mind, that would be anoth-
er area in this.

But, other than that, we have a beautiful Homestead
Exemption law. Probably it's greater today in its protec-
tion of public right than it has ever been.

We consider those several points and preserving the
veterans exemption and making it, declaring a total ex-
emption for the veteran, at an advantage over the others,
a $2000 exemption with a view to increasing it or, if it's
possible, to totally exempt homes, we do so. And other-

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wise to increase the basic guarantee for revenue sharing
from $80 million up to a somewhat higher figure, that to
me is the scope of the problem I see here.

And, this is something we can throw open for discus-
sion if someone has an adverse view on it, or has something else
on it or wants to ask questions, I'd like to answer question
on it, and research even more on the subject.

SCHMITT:
I wish you'd go into a discussion of how we got into
this problem. As an example, how do you go about
determining a property value? What's the difference between that and assessed value? What's the difference between that and the amount you pay tax on and so forth? I think there are about two or three levels or something like that that we'd have to understand before we could understand this on the Homestead.

Oh yes, oh yes. That's a good point you brought up. Let me say this. There was another point that was cured, another important point that was cured in the Extraordinary Session. The Homestead Exemption has always been applied by the assessor against the final assessment figure. In other words, if an assessor is using ten percent ratio or twenty percent or thirty percent, you take your $40,000 house, the ten percent of that is four thousand. Then he applies the $2000 Homestead Exemption.

There was a Supreme Court decision rendered sometime prior to the last Extraordinary Session which stated that the Homestead Exemption law then, that the exemption applied to the top value. In $40,000 you took off the Homestead Exemption off the top, making $38,000. And then your assessor would take off the $38,000 at ten percent or $3800 and you would pay tax on that.

Under the amendment proposed, it specifically changed the wording, stating that it's $2000 of assessed valuation. The exemption applies to $2000 of the assessed valuation. That's the next big forward step that was made by the Louisiana Legislature, and the Governor in proposing this particular amendment on the Homestead Exemption.

Now, concretely, for an example, if you have a $50,000 house, and the assessment value is ten percent, you would have a $5000 assessment. Then you would be exempt to the $2000. Still, under today's, even though it's been amended by a Constitutional provision, if there are existing districts, you would pay those taxes. In the future, new districts are, of course, exempt. But, if presently, there is a fire district, you would pay that particular tax. If there is a [illegible] district, you pay that. Literally speaking the tax would be negligible or practically nothing, in that case.

On $2000 Homestead Exemption on a $50,000 house at ten percent would be the $5000 assessment figure. Take off the $2000 which leaves $3000. On that $3000 you would pay the prevailing millage. That means, for example, in a parish with a hundred mills, you would pay a $300 tax.

Let me give you a concrete example. In New Orleans,

This was a statement by Saturday that if you had a $50,000 house assessed at twenty-five percent (and this is a good point). Twenty-five percent of a $50,000 means a $12,500 assessment. Take the $2000 off of that which leaves $10,500. At thirty-eight point two mills multiplied by $10,500, you get approximately $400. Fine.

Now, let's take a parish where the assessment is eight percent on a $50,000 house. Okay? Eight percent of fifty is how much? Four thousand. Then you take off that $4000 the $2000 off for the Homestead Exemption. It leaves $2000 taxable; at one hundred and thirty mills, how much is that? Two sixty. And how much is that tax in New Orleans? Four hundred.

Now let's go back on the four hundred. That was set at thirty-eight point two on $10,500. Taxable rate? It would be ten times that figure.

Now let's take another parish, which I believe Plaquemines Parish has twenty-seven dollars per thousand. What's there assessment?

On these two examples, how much would the State pay those particular parishes to benefit those parishes?

That's a good question.

First, as an answer, what was paid before under the Property Tax Equalization Fund, they would be paid the full amount of those taxes. Just what you saw there in the amount of the exemption.

And therein lies the discrepancy. And that is one of the reasons the case in New Orleans was decided saying that

Saturday, the Property Tax Relief Fund was not being distributed on an equal basis. It was kicked out.

Today, it has no relationship whatsoever. They have a Revenue Sharing Plan that's based on formulas having nothing to do with the particular amount of the assessment. In other words, whether or not that man was assessed at one hundred percent in one parish or eight percent in another, when it came back to the State, it had no bearing. You understand?

Now, the other way the formula was achieved between the communities at the last Extraordinary Session. The five and three-quarter State tax was removed. When the State tax was in existence, you had a taxing discrepancy there between two citizens paying a State tax. We no longer have that.

When the State tax was removed, the common denominator was removed between the people. There's only one area left for correction, and that is where you have a common district. The Plauchuron District or things like that, several por-
tions of several districts. There, we have to solve that problem to insure equality in that section.

But, the common denominator between Orleans, Jefferson, Plaquemines, Rapides, Calcasieu, and Caddo -- all of that inequality was removed with the five and three-quarter State tax. The problem then is, within that parish you owe equal treatment to the people involved within that taxing district. That's the Constitutional prohibition or a guarantee that people in the same situation would be treated equally.

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Previously, there was no way to do it. Because you had the five and three-quarter mills tax. So you own a $40,000 house and you're being assessed at one percentage. And in every other parishes are different percentages. So no one is paying that five and three-quarters on the same assessment. When you removed that five and three-quarters, the greatest common denominator was removed, which made a dischord in the taxation level or the assessment level. Today, if you would assess people at the same level throughout the State, you would have the greatest area of inequality that is conceivable. For this reason.

In this case we mentioned here the people in the Parish and Jefferson was an example. Or, take another parish. Take a parish other than Jefferson. Who has a parish with eighty mills. Or up. Rapides?

Rapides has eighty, so we'll take Rapides Parish. Rapides has eighty, New Orleans has thirty-eight. Twice as much taxes on the same assessment. What could be more inequitable?

Then, the next problem is that people say you're over the millage. And therein you get into the problem as to where to lower the millage. The solution is not to lower the millage. They will never lower the millage.

There are many taxes such as in New Orleans that are collected to go specifically to certain districts. And that's it, period. There's no way to touch the money.

Basically, and the attorneys here can bear this out.

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millage that relates to services, etc., cannot be touched.

So, even if you succeed in fooling with the millage, you will never lower it to a boundary, a figure where equality will be constant. Yet within a given taxing district, with no common denominator...What does anyone in Orleans have to be concerned with Rapides Parish? By what stretch of the imagination are you citizens in Orleans comparable to a man who pays eighty mills on a house to a man who pays thirty-eight mills?

So, when you achieve equality and guarantees of the Constitution and bring it to every homeowner in the State, as within the given taxing district everyone is treated equal. If not, the Federal Court steps in. Anyone who has a federal suit, if his appeals to his assessors and his appeals through the tax commission and to the courts, are not heard, then he has a right to bring discrimination suits under the Constitutional guarantee for equal treatment.

And that's how it evolves and the Homestead Exemption and its discrepancy was solved by that decision. What looked like a black cloud actually acted as a catalyst to have many other important laws passed that solved the problems of the Property Tax Equalization.

So that the ridiculous things that you used to see, for example, in my assessment, a percentage put a man below $2000. I would never arbitrarily put him at $2000, just to get back the funds from the State. And they're apprised of that. Everyone was assessed at least at $2000 and if he was a vet-

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eran, they were putting him at $5000. That isn't the case. For an assessment of $1800, it was put at $1800, even though the man was a veteran.

SCHMITT: If this should be the situation, why would parishes, such as Orleans and some of the other parishes, object to the present system?

Well, right now, what they are basically objecting to is removal. And, as far as I'm concerned, I'm not aware of what objections unless you say specifically. The Homestead Fund. That problem is gone. That was the greatest difference between Orleans and Jefferson. If that's what you're thinking of. Or, for example, Orleans and Rapides, or any other parish that had more than thirty-eight mills. Then on that $2000 exemption, they were getting more out of the fund.

The other basic objection was the five and three-quarter mills State tax. That one man was paying five and three-quarters on a $50,000 home or a $20,000 home they started a thirty-eight percent assessment, or a twenty percent assessment, and someone else was paying it based on a ten percent or a seventeen percent assessment. But that area of objection is gone.

CHAMPAIGNE: I have a question, and I don't want to be against your theory, because I agree with it a lot. But, there's one thing that comes to the mind. I'm sure it was in Senator DeBlieux's mind. In other words, we have two ranges of views here, and I'm somewhere in between.
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Now the only assumption you have, the only thing I differ with you on is the $80 million that comes from the State fund, does it not?

That is correct.

CHAMPAGNE: In other words, I would figure it out to my satisfaction, in my mind. There's only one point on which I differ with you. In other words, I want Homestead Exemption, I want to increase them and so forth. But the one thing I went to ask you is do you admit that the $80 million in this fund is State money?

Yes, it is State money.

CHAMPAGNE: It is State money, regardless of where it came from. As such, a resident of one parish has as much right to it as the resident of another. And, of course, you said it and the Governor said it, that the State is out of the property tax business. But the State fund is still subsidizing the Homestead Exemption.

No, sir. Not at all. Actually, there's a completely different situation. Actually we have a Revenue Sharing Plan Committee right now who is studying on this. It is based on population, all kinds of factors which have nothing to do with the Homestead Exemption. Not at all.

CHAMPAGNE: I have one more question. Where does the money come from for the Homestead Exemption to pay back to the local people?

None is paid back.

CHAMPAGNE: Well, why do you get this check? I know that, in other words, in my district there is some money is taken off because of Homestead Exemption. Now this money is not going to go lost. They have to have this money to keep, for instance, fire districts alive.

Now, you say, they're not going to get this money?

The Homestead fund, the Property Tax Relief Fund has been abolished at the last Extraordinary Session. There's something completely new.

CHAMPAGNE: I understand. In other words, you're changing the words but really...

No, Mr. Champagne, no. You're saying money's coming in. Money is not coming, you see. This right. In other words, let me show you, let me tell you how the Homestead Exemption works today. For the first time, a man has a home it is exempt. Period. Now, let's take it and work it out how it happens to that money which was formerly reimbursed.

Correct? Where does that money come from?

Here's what happens. Let's say, for example, you have an assessment base. Let's take an assessment base of $200 million. Of that amount, the Homestead Exemption amounted to, let's say, $5 million. Okay? Of the taxpayers. Five million dollars was Homestead Exemption Money. They want to impose say a two mill tax on a bond issue (for $400,000) for a given purpose. Today you no longer have that $5 million for Homestead Exemption included. So you would now still have to raise $400,000 to service that bond issue. Now instead of two mills, you may need two-and-a-quarter mills. And it will be that five million, the lowest assessment.

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value is excluded and the remaining $195 million would carry and pay off that $400,000. Therefore, instead of two mills, you might need two-and-a-quarter mills.

But one thing, it will actually help the communities. Recently, for example, we fight bond issues. For almost eight years, every single bond issue unless it was absolutely essential, to prevent milking of the Homestead Fund.

And today they recently passed a bond issue. And this is true. I stopped every bond issue in Jefferson Parish with slight exception, and I also received critique from the same area. Yet every time I would have permitted it, there would have been an extra forty mills coming out of the coffers by now, you know, in an eight-year period.

So, it was serious to me and not just a bond issue. Yet today, they just recently passed a bond issue, because they were able to tell the people it was subject to Homestead Exemption and it didn't come out of the State coffers. Those, the more expensive property, in other words, $2000 level down, or five, those had the Homestead Exemption, so maybe they need one and three-quarter mills, they voted two mills. But that's where the money comes from, Mr. Champagne.

COMPOY: In connection with the Homestead Exemption in the State Constitution, let's assume we have a $2000 Homestead Exemption. Shouldn't all the people in the State be entitled to equal treatment with regard to that $2000 exemption?

No question about them. They get that equal treatment.

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within their own taxing district. There's no common denominator between all the parishes. The greatest common denominator is the particular districts that still remain. Like school and levee districts and things like that. And as an attorney, you know that what the law says, what the federal Constitution says, is that two people in the same situation must be treated equal. So, a man who lives in Rapides and is subject to an eighty-mill local tax and a man who lives in Orleans is subject to a thirty-eight-mill
local tax are not going to be equal if they both, of course, apply the same percentage of assessment.

**CONROY:** But they do have a problem, unless those assessment rates, unless the taxes and millages are the same proportions as the difference in assessment rates originally.

No, sir, there isn’t, because the people in the same situation are the people in Rapides who live within that taxing district. To get that guarantee that you’re looking for, you have to look to the United States Constitution. You have to, then, when you’re looking at the Constitution, you have to put two people in the same position. A man living in Rapides and a man living in Orleans are not in the same position. One faces a thirty-eight mill tax levy and one faces an eighty mill tax levy. If we would follow the concept that you just asked about, the people in Louisiana would say ‘well, we’re not equal with the people in Mississippi’ and the people in Mississippi and Louisiana could say ‘Connecticut has a different tax base’ and

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the people in New Jersey...

In other words, there are basic taxing districts. You have people within that given situation being treated equally. Once you remove the five and three-quarter State tax, you remove the common denominator. And, as I said, we still have the problem of levee districts or other parish taxing districts.

**CONROY:** What concerns me, Mr. Chehardy, in regard to the Constitutional exemption for the State of Louisiana, putting in the State Constitution and using a dollar figure for the exemption in Louisiana, is that if one parish uses a ten percent assessment practice, would that assure someone who buys a $2000 home of not paying any taxes? And a person who is in a parish which uses a twenty-five percent approach would only be able to buy an $8000 home and have it free of taxes.

Then, what you’re saying there is this, in effect. There’s nothing coming out of the State, as you say, with regard to the Homestead Exemption. So, there’s no common denominator, you can’t stop State bounds. The district is a bound. And that taxing district has to be uniform, even if the decision just rendered narrows it down to uniformity within the taxing district. The decision just rendered in the equalization suit recognizes that the uniformity has to exist within the taxing district. So that part of the decision created equal bounds. The decision has answered your question, and if you read the decision, there’s no disagreement on that part.

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I disagree with your analysis of it, because I feel that the State has a $2000 exemption, the people in the State are entitled to equal treatment with regard to that exemption.

**CHEHARDY:** People are getting equal treatment with regard to exemption.

**WINCHESTER:** Mr. Chehardy, wouldn’t this answer Mr. Conroy’s question? If you said that there is no more Homestead Exemption, but there is a Revenue Sharing Fund. The Revenue Sharing Fund is granted to the parishes, not on taxes, Homestead Exemptions, or anything. It is granted to the parishes by a formula that’s assessments and something else and now is in committee study and, I understand, will be changed and based on population and other aspects. So, if St. Mary’s Parish gets five million dollars through that new formula, and the people in St. Mary’s Parish want to use a certain part of it to take care of the Homestead Exemption that is on the St. Mary’s books, the difference then goes to, possibly, the police jury, and the school board. Sometimes, it has a different tax and the revenue, the difference between the amount of State tax and Homestead Exemption is different and therefore it is not a revenue getting back to the power of the State on anything other but a formula. But the law held that it takes care of the Homestead Exemption, the difference goes to the people in that particular parish. I think that would answer that question. Well, not only that. I think you can go beyond that. All of these questions, I’m surprised that the interest you

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have, in spite of your not appearing at the many committee hearings you had, or to special committees to which the public was invited, those that had any interest. We had hearings for many, many days and with many, many groups, adverse interests, those who wanted the Homestead. It went before the Senate, it went before the House, and it ultimately went before the people of the State.

So this whole area has been explored and now the theory and process of having to re-look at it.

But, the thing, and this is unequivocably so, and I say this as one attorney to another attorney, there is no question legally that the guarantees of the Constitution guarantee one thing: that people in the same situation be treated...if you can show me where a person in Rapides Parish and a person in Orleans Parish with tax rate of thirty-eight dollars a thousand and another with eighty dollars a thousand are in the same situation, then you are really working a miracle. Where is the equality between these two?
The equality lies between a homeowner in Rapides on A Street and a homeowner in Rapides on B Street. Are these being treated equal? They belong to the same situation. If they're not being treated equally, the Constitutional provision these people have the right to go to the assessor, to the commission and to the federal government or through the courts. But there is no tie in anymore between that and the Homestead Exemption.

NOTES

Staff Memos cited in the Minutes are reproduced in Chapter II Staff Memoranda, below.

MINUTES

Minutes of the fourth meeting of the Revenue, Finance, and Taxation Committee of the Constitutional Convention of 1973

Held pursuant to notice mailed by the Secretary of the Convention of April 5, 1973

Chamber of Commerce Building, 301 Camp Street,

New Orleans, Louisiana

Friday, April 13, 1973 10:00 a.m.

Presiding: Sheriff Frank M. Edwards, vice chairman of the Revenue, Finance, and Taxation Committee

Present

Charles Badeaux (Friday)

Sen. James H. Brown

Walter J. Champagne

Lawrence Chehardy

Sheriff Frank M. Edwards

John Clyde Fontenot

J. A. McDaniel

Dr. Claude Mauberret, Jr.

Pepean Mire

Autley B. Newton

Sen. Samuel B. Nunez, Jr.

Arthur J. Flanchard

Sen. B. B. Rayburn (Saturday)

Charles E. Roemer, III

Earl J. Schmitt

Charles Slay

Jasper K. Smith

Risley C. Triche

Absent

John A. Alario, Jr.

Charles Badeaux (Saturday)

David Conroy

Sen. J. D. DeBlieux

Herman Lowe

Sen. B. B. Rayburn (Friday)

F. D. Winchester

Following the roll call, there being a quorum present

Vice Chairman, Sheriff Frank M. Edwards, asked for a one-day leave of absence for Senator Rayburn, who was presiding at the meeting of the Legislative Budget Committee in Baton Rouge. Mr. Mire asked leave to be granted to Mr. Winchester due to illness in the Winchester family. Mr. Conroy had been granted leave for April 13, and 14, 1973, meetings during the March 31, 1973 meeting of the committee.

The agenda was adopted without objection.

Rep. Thomas Rice of Jefferson Parish advocated consideration of property owners with fixed incomes in determining ad valorem taxation proposals. He stated that property owners in Jefferson Parish felt they could not afford one hundred percent assessment on actual cash value of their property. Mr. Rice recommended that the legislature be the agency to determine solutions to the ad valorem problem as it currently appears.

Rep. Eddie D'Gerolamo of Jefferson Parish, former Kenner mayor and Constitutional Convention delegate, asked to go on record as opposing any valuation at market value, because appraisals would fluctuate greatly, and profits would influence proportionately both value and the taxes assessed on the property. "Zoning", Mr. D'Gerolamo pointed out, could also influence property values.

Mr. D'Gerolamo recommended that the assessment ought to be applied to the purchase price of the property. He further urged the small homeowner be guaranteed in the constitution a homestead exemption.

Councilman Peter Bier of New Orleans asked that the democratic process be allowed to determine the limitations on municipal earnings taxes, and that it not be limited in the constitution.

Ed Steimel, executive director of Public Affairs Research Council of Baton Rouge, asked first that the new constitution not provide for tax reform, but confine itself to constitutional reform only. He cautioned that governmental or tax reform in the document might greatly impede progress in other areas. A copy of his statement as presented is attached hereto and made a part of these minutes.

In the discussion period, Mr. Steimel answered questions on PAR's position on tax reform, on the experiences of other states with equalization, on the legislative acts of 1972 regarding tax, on the elements involved in the mechanics of millage roll backs, on the flexibility of the property millage and assessments, on the needs of local communities for revenue, and on the attorney general's decision concerning homestead exemption.

Edmond G. Miranne, president of Security Homestead Association, speaking for the people he serves in that capacity, provided a breakdown of the loans served by the
association, and a survey of the present home property picture. He strongly cautioned that a radical increase in home property taxation would inundate this progress. A copy of his statement as presented is attached hereto and made a part of these minutes.

Marvin Lyons, executive director of the Louisiana Municipal Association, distributed copies of his association's statement and its December, 1971, publication, which contained its requests to the legislature regarding ad valorem taxation.

Following the luncheon recess, a statement by Rep. Chris Ulo of Jefferson Parish was read by the secretary and is attached hereto and made a part of these minutes.

Edward P. LeBruyere, finance director of Jefferson Parish, wanted as much flexibility for local government finance as possible. Mr. LeBruyere recommended a tax base of 10 percent of actual cash value and supplied charts illustrating its effect on assessments. Copies of these charts are attached and made a part of these minutes.

Frank O. Pruitt, Jr., of the Louisiana Forestry Association, supported retaining inclusion of the present Article X, Section 1, which he said, was hailed by most as a model of equitable taxation on forest lands. He reviewed the severance tax on timber, asking that the tax be retained in the constitution. However, Mr. Pruitt said, if all other tax measures are removed, the association would not oppose the passage of that document by attempting to have this provision remain as the only tax measure left in the constitution. A copy of his statement is attached hereto and made a part of these minutes.

Ray Gipson, management extension forester of Boise Southern Company of DrRidder, supported the views expressed by Mr. Pruitt, and the continuance of the present timber taxing method. A copy of his statement as presented is attached hereto and made a part of these minutes.

W. D. Blake, general manager of the J. A. Bell Estate and the Quarter Parish Company, also supported the association's position on retention of the severance tax in the constitution. A copy of his remarks as presented is attached hereto and made a part of these minutes.

Louis C. Peters of Bennel and Peters, Inc., presented a statement prepared for Frank W. Bennett, a consulting forester, who could not be present. The statement, attached hereto and made a part of these minutes, also supported the retention of the timber severance tax in the constitution, should any taxes be included.

Joanne Helwig, president of the League of Women Voters of Jefferson Parish, speaking in that capacity and as a homeowner in Jefferson Parish, urged the subcommittee to treat all property owners equitably in the constitution. A copy of her statement as presented is attached hereto and made a part of these minutes.

Elizabeth Rack, president of the League of Women Voters of New Orleans, recommended that land be used not only as a source of revenue, but also as a tool for land use. She further asked for a uniform standard of property valuation, based on actual cash value, to be preserved in the constitution. A copy of Mrs. Rack's statement and the publication, "New Trends in State Finance", are included herein and made a part of these minutes.

Marvin Krantz, secretary of the Board of Assessors of New Orleans, advocated equalization for all parishes including Orleans and predicted that the Doherty decision would be moot by the end of the fiscal session. He said he was in favor of annual review of all assessments and valuations, not just "new" property.

Max DeClees, Jr., representing the Real Estate Board of New Orleans, Inc., read the statement of position of that organization, as attached hereto and made a part of these minutes. The position principally advocates the constitutional inclusion of: a reasonable limit on the taxing authority of government, regardless of the actions of the taxing authorities; equitable taxing in each taxing district; ad valorem taxes restricted only to real property; and a dollar limitation of 1 1/2 percent of fair market value in any one year.

Donald L. White, director of the Apartment Association of New Orleans, asked that his statement be distributed to the membership and be recorded in the minutes. The statement is attached hereto and made a part of these minutes.

Walter J. Champagne, member of the committee, recom-

mended in his statement an eight-point program for consider by the subcommittee. A copy of his statement as presented is attached hereto and made a part of these minutes.

Following Mr. Champagne's presentation, the meeting was recessed until 9:00 a.m. Saturday.

NOTES

Charts by Mr. LeBruyere referred to in the Minutes are not found in the Committee files.
The basic position of the Apartment Association of New Orleans is in opposition to the 100% assessment. In other areas where it has tried the results have been disastrous.

At the last session of the Louisiana State Legislature several bills were passed to "get the state out of the property tax business". This was done with the leadership of the Governor, therefore, both the legislative and administrative branches of the state government do not have need to set assessments in individual parishes. It is our feeling that each parish should have the right to determine the assessment that fits their individual needs. We feel this should be done by public referendum. Of course it must be done on an equitable basis.

Again, this goes back to removing the power from the state and putting it in the hands of the parish which is what we feel is the best policy.

Page 2

So that all of your work will not be in vain and that the people of the state will pass on a new constitution, we strongly urge that this matter and any others that might be highly controversial be put on an either/or basis. For instance, it would be unfortunate for the voters to reject your proposed constitution in its' entirety because of the question of property tax or the right to work law or the death penalty. The point is, people should be given an option on these types of questions.

We thank you for your consideration of our views.

Donald L. White
Director, Apartment Association of New Orleans

In the state of Louisiana we have valuation tax within the State of Louisiana, I am fully convinced that there are wide variations in valuing on the issue, whether you agree or not, I am convinced that the present constitution provides the threat of actual cash value or 100 per cent assessment, with no adequate provision for per cent of value. This is still in existence and can be recalled only by constitutional amendment, or rewriting and acceptance of a new constitution. For over fifty years, the only obstacle to 100 per cent, or actual value, has been the local assessor. By discussion with local assessors, I have been advised that their position is an all-powerful one in which they can lower or raise assessments (and by doing, tax dollars) at this desire. This, in theory, provides an opportunity for local assessing districts to gather wealth without asking for additional taxes, merely by the assessment rating, decreases. On the other hand, by lowering the assessment, the result would be that the local taxing unit would avoid the collections of that unit to diminish. This is an actual, powerful tool. It is, and should be, subject to the electorate. We should also have some real control of the supervisory and.

To sum this up, we have been in opposition toward the district and parish. Disparities is, in our estimation, an absolute truth. I do not say they are intentional, but too much reliance has been placed on the individual valuing the information, such as with inventory. These are often submitted as low as 10 per cent of actual value. Many others are submitted at full value. Very often, no attempt at verification are made. Why should the honest taxpayer be penalized?

Should a $30,000 home be assessed at $7,500 in Parish A, while the same home is assessed at $2,500 in Parish B, and in Parish C at $5,000. It has been asked of me—why are we asked to approach an assessor with inequities if we think our property is over-valued on the books, when in effect, we merely state that ours is over-valued in reference to another? Have you ever seen told by an assessor that in order to lower your assessment, all property will have to be reassessed?

Some among us advocate that the incumbent should be completely released from the worries of property taxes. Among our taxpayers are people who really object to the court decision which allows non-property holders to vote on taxes on property. Would you support this situation by allowing all people to avoid their responsibilities? I think not. A person has a right to pay a little for the services he and his neighbor receives, such as schools, fire protection, sewage, garbage collection, etc.

I am constantly reminded by many of our delegates that it is not our responsibility to delegate. It has been suggested that we should openly state that the power of taxation is vested in the legislature, with the means to be established by then. I am told by others that, just as the legislature did not reposition themselves, they will not solve the intricate problems of tax equalization.
They shall probably continue the process as it is, and with it, the inequities. The matter, they say, will most certainly be decided by some Federal Judge. Do you, and I, and all the many people who sent us here deserve this? Should we attempt anything better? That shall be our decision! It has been pointed out in this convention that absolute justice is unattainable on this earth. I agree, but should we not make an attempt in that direction?

The effect of the recent decision is that the public has been made aware of what one of our own has described as a possible "open pocketbook practice." A new constitution which advocates the same would offer no incentive to the public for its adoption. I offer the following for your consideration:

1. Assessors continue to be elected and submissive to the electorate as they have been in the past. Provide for an expanded Tax Commission with power. Provide for the legislature means for compliance, such as withholding revenue funds for non-compliance.

2. All property shall be entered on the books at base value. Base value would be 50 per cent of current actual cash market value. Legislature shall establish percentage of base value for all classes which shall be uniform within 5 five year period.

3. Homestead exemptions adjusted in proportion to adjustment of valuation of homes on state basis with double exemption for veterans.

4. Provide an increased Homestead Exemption to all home owners upon reaching the age 65.

5. All assessments be open to public inspection and public hearings held at least every two years within the taxing district.

6. Assessors or their representatives shall examine their records and properties at least every five years in order to apprise inequities and to reallocate improvements.

7. All possible means taken to assure proper reporting, especially on movables such as inventories.

The correctness of base value may be tested before the governing body, those before the Tax Commission, and those before the courts by any aggrieved taxpayer.

I do not say that all of these provisions need to be in the constitution. What I do say is that the hard-working, diligent people of Louisiana deserve no less than assurance of their existence.

I tried to establish a possible correlation between total tax year industrial exemptions by parishes and total exemptions granted for Homestead Exemptions by parishes. This would possibly indicate a need to get more Homestead Exemption money from state in order to overcome losses by granting of industrial exemptions. I found no such correlation.

I found the parish average claimed for exemptions was approximately twice or 200 per cent of the average parish contribution for the 3 1/2 mill assessment.

The following were the twelve leading parishes in ten-year manufacturing plant exemption contracts in force and approved as of December 31, 1971, as indicated in Column A.

(A Column B - percent granted of amount paid to state.
Column C or = 200 per cent average all parishes.)

<table>
<thead>
<tr>
<th>Parish</th>
<th>Amount</th>
<th>Column A</th>
<th>Column C</th>
</tr>
</thead>
<tbody>
<tr>
<td>East Baton Rouge</td>
<td>191</td>
<td>64%</td>
<td>89%</td>
</tr>
<tr>
<td>Peoria</td>
<td>188</td>
<td>64%</td>
<td>89%</td>
</tr>
<tr>
<td>St. Charles</td>
<td>182</td>
<td>64%</td>
<td>89%</td>
</tr>
<tr>
<td>Thiberville</td>
<td>182</td>
<td>64%</td>
<td>89%</td>
</tr>
<tr>
<td>Ascension</td>
<td>182</td>
<td>64%</td>
<td>89%</td>
</tr>
<tr>
<td>St. James</td>
<td>182</td>
<td>64%</td>
<td>89%</td>
</tr>
<tr>
<td>Jefferson</td>
<td>182</td>
<td>64%</td>
<td>89%</td>
</tr>
<tr>
<td>Orleans</td>
<td>182</td>
<td>64%</td>
<td>89%</td>
</tr>
<tr>
<td>Caddo</td>
<td>182</td>
<td>64%</td>
<td>89%</td>
</tr>
<tr>
<td>Jackson</td>
<td>182</td>
<td>64%</td>
<td>89%</td>
</tr>
<tr>
<td>St. John</td>
<td>182</td>
<td>64%</td>
<td>89%</td>
</tr>
<tr>
<td>W. Feliciana</td>
<td>182</td>
<td>64%</td>
<td>89%</td>
</tr>
</tbody>
</table>

In finding wide differences of opinion, I tried to find reasons. The average parish granted twice or 200 per cent as much exemptions as it paid to state with 3 1/2 mill tax. The following seven parishes led in per cent of exemptions granted related to amount paid to state.

<table>
<thead>
<tr>
<th>Parish</th>
<th>%</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Livingston</td>
<td>64%</td>
<td>778,000</td>
</tr>
<tr>
<td>Jefferson</td>
<td>64%</td>
<td>11,580,000</td>
</tr>
<tr>
<td>Vernon</td>
<td>64%</td>
<td>122,000</td>
</tr>
<tr>
<td>St. Bernard</td>
<td>64%</td>
<td>2,026,000</td>
</tr>
<tr>
<td>Rapides</td>
<td>64%</td>
<td>2,143,000</td>
</tr>
<tr>
<td>Tangipahoe</td>
<td>64%</td>
<td>1,131,000</td>
</tr>
<tr>
<td>St. Tammany</td>
<td>64%</td>
<td>1,546,000</td>
</tr>
</tbody>
</table>

The following seven parishes led in the least per cent of exemptions granted in relation to amount paid to state.

<table>
<thead>
<tr>
<th>Parish</th>
<th>%</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Plaquemines</td>
<td>22%</td>
<td>163,000</td>
</tr>
<tr>
<td>Cameron</td>
<td>30%</td>
<td>62,000</td>
</tr>
<tr>
<td>St. Mary</td>
<td>70%</td>
<td>559,000</td>
</tr>
<tr>
<td>East Baton Rouge</td>
<td>71%</td>
<td>6,284,000</td>
</tr>
<tr>
<td>Acadia</td>
<td>93%</td>
<td>372,000</td>
</tr>
<tr>
<td>Jefferson Davis</td>
<td>90%</td>
<td>296,000</td>
</tr>
<tr>
<td>St. Charles</td>
<td>96%</td>
<td>337,000</td>
</tr>
</tbody>
</table>

RESOLUTION

The Board of Directors of the Real Estate Board of New Orleans, Inc., in meeting assembled on April 10, 1973, after due discussion of the property
The differential some multi-family the reasonable value am fair limit reasonable Vtomen Hew not the the corporation, take related limit certain a percentage the '73 definite real the other property another, light

3. The Real Estate Board believes that ad valorem taxes should be restricted to real property. Further, we believe that personal property taxes should be uniform throughout the state. The inventory tax in one parish, for instance, should be the same dollar amount as in the adjacent parishes to prevent undue business development advantages to particular parishes.

4. The Real Estate Board believes that the Constitution should contain provisions which place a limit on the total amount of real property taxes which can be assessed in any one year and that this limit shall be one and one-half percent of the fair market value of the real property at the time of assessment. We believe that such a limit on the amount of ad

valorem taxes which can be charged against real property will eliminate the possibility that property taxes can be confiscatory. We recognize that property taxes are placed against properties by various governing bodies (i.e. parish authorities, school boards, levee boards, etc.) and that the Constitution should tackle the problem of distribution of the tax among all the taxing agencies when the total levy exceeds this limit.

We understand that the limit of one and one-half percent of the fair market value of the property at the time of assessment may not be the ideal percentage after the Convention considers all factors; however, we believe that the final limiting percentage should be realistic and indeed limiting. In arriving at the percentage, we considered that such a rate would mean that a property which has a value of $20,000.00 could not be charged more property taxes in any one year than $300.00, a figure which is not excessive in terms of property taxes throughout the United States.

We believe that there should be a limit to protect the property owners and that such a limit in the Constitution which is related to a percentage of fair market value does not burden the taxing agencies with a fixed dollar amount, protects against the pegged amount which inflation makes unduly low, and does not tie into either the milling or assessment rate.

We believe that the placing of a constitutional limit on the dollar amount of the tax provides the property owner with remedies of court. We believe that such a limit barely sets the upper limit of the amount of tax which can be assessed and that the taxing agencies may set levies under this percentage.

5. The Real Estate Board believes that the Constitution should contain provisions which place a limit on the total amount of real property taxes which can be assessed against an owner-occupied farm which is not incorporated, against a single family dwelling which is owner-occupied which

is not owned by a corporation, and against that part of a multi-family residential property which is owner-occupied which property is not owned by a corporation and that this limit should be under the percentage of one and one-half percentage which is the limit placed on all real properties. We recommend that the limit on the amount of property taxes on such properties shall be one percent of the fair market value at the time of assessment. We believe that placing a limit on the amount of property taxes on such owner-occupied dwellings or parts of dwellings would encourage home ownership and give added protection against any form of property taxes being confiscatory. The limitation of total property taxes which can be assessed against any such owner-occupied property (or portion which is owner-occupied) would be equivalent to a total tax of $200 per year on a house or farm with a fair market value of $20,000.00 and $400 per year on one with a fair market value of $40,000.00.

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I am Elizabeth Rack, President of the League of Women Voters of New Orleans. Thank you for the privilege of appearing before you today. I would like to compliment you on the effort you are making to inform yourselves on state revenues, and to allow the public to speak.

I am here today to speak briefly on the property tax.

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LEAGUE OF WOMEN VOTERS OF JEFFERSON PARISH—P. O. BOX 2177—MORNIN, LA 70094

Statement to the Committee of Revenue, Finance and Taxation of the Constitutional Convention, April 13, 1973

I am Joanne H. LeBlanc, President of the League of Women Voters of Jefferson Parish, and also, a resident and property owner in Jefferson.

The League of Women Voters of Jefferson Parish has long been concerned about the administration of our property taxes and has appeared before the Jefferson Parish Council sitting as the Board of Review for years, urging them to take the lead in correcting inequities with a uniform rate of assessment established equitably on all property.

It has been said that equalization of property taxes will result in undue tax burdens on property owners. However, in Jefferson, in order to alleviate the fears of people, the Jefferson Parish Council has stated that they would roll back the millage should the base for tax collection be broadened, so that the total amount of dollars to be collected on existing taxes would neither increase nor decrease.

We realize the difficult job this committee has and we commend you for hearing from the public on this really mismanaged issue.

However, we urge you to establish in the constitution a fair and equitable taxing system for this state.

Thank you.

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Members of the League of Women Voters of New Orleans and Louisiana support the principle of taxing land and improvements separately, believing that land should not be the only basis for property taxation. The concept of a relationship between taxation and more optimum land use could become vital in the future. In New Orleans this has been demonstrated to a degree in the Central Business District, but could be done throughout the city and state. Your committee has the unique opportunity of giving the possibility for the property tax to be not only a source of revenue but also a tool for land use.

The difficulties, objections and fears raised about the property tax are primarily the result of administrative policies or lack of them. Assessors and their designated aides serve usually long terms of office, claiming that they are reelected because they keep property taxes low. We believe the cause and effect will be reflected in any action of this committee responsible for community services. The assessors of this state, will of necessity be changed under the guidance of the federal court which has ruled that taxpayers shall be treated equally under the equal protection laws.

We, the League of Women Voters of New Orleans, were amicus to this suit. We would like to take this opportunity to reassure all property taxpayers that after suit rolls are adjusted community, starting on an equal basis, can then determine the need and willingness to pay for services in the community. Also, state taxes returned to local governing bodies on the basis of local property tax effort will be in proportion to, not inverse proportion to, school equalization formula.

We know through our own membership discussions, whether in Jefferson Parish, Shreveport, New Orleans or Lafayette, that once the property tax is understood, taxpayers want equality and are willing to pay their fair share - no more, no less.

We ask again, as our representative in Baton Rouge did, for a uniform standard of property valuation, based on actual cash value, to be preserved in the constitution.

Thank you for your attention.

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Louisiana Municipal Association

STATEMENT OF LOUISIANA FORESTRY ASSOCIATION
PRESENTED BY:

Frank L. Lyons, Jr.

TAXATION, FINANCING AND REVENUE COMMITTEE
OF CONSTITUTIONAL AMENDMENT 73
April 13, 1973 - New Orleans, LA.

Ladies and Gentlemen, this statement is being presented on behalf of the 2200 members of the Louisiana Forestry Association. This 26-year-old organization has as its primary purpose, promotion of the orderly growth and development of the state's 15 million acres of forest land. One Section of the state's Constitution is vital to that growth and development: Article X, Section 1. In the brief period of time being made available to us this afternoon, I'd like to limit our remarks to that section of the Constitution.

A recent study by the Louisiana Extension Service revealed that forests provided greater economic impact for Louisiana than all other agricultural crops combined -- yes, more than all other agricultural crops combined. As a matter of fact, forestry is Louisiana's largest industrial employer, providing jobs for more than 42,000 workers. Payrolls total more than $500 million and tree farmers are paid over $60 million for their trees each year.

Slightly more than 30 years ago, many felt that Louisiana's trees were gone forever. But they had yet to learn that trees are a renewable resource -- a matter of fact, trees are Louisiana's ONLY renewable Natural Resource. Properly protected, Louisiana's forests need never again fear extinction.

This was a primary purpose of the major portion of Article X, Section 1, of Louisiana's Constitution, which was approved by the voters of this state on November 2, 1954, by a margin of three to one. This portion of this section called the Forest Taxation Law is hailed by most as a model of equitable taxation on forest lands. The portion of this section to which we refer begins with Paragraph 5, titled "Severance Tax On Timber" and runs through the remaining portion of the Section.

It provides that all forestland in the state be classified for taxation purposes according to four major types: Tidewater Cypress, hardwood, longleaf pine, and pine, other pine. The purpose of this classification is to assure equitable assessments on all forestlands bearing the same type of timber within a parish.

Under this provision, timber is recognized as a growing crop. It does not eliminate the ad valorem tax on timber lands; nor does it freeze the level of ad valorem tax levied against these lands. It does provide, however, for the postponement of tax on the timber itself until such time as the timber is cut. At that time, a severance tax is paid on the timber harvested.

Timber severance taxes are provided on a percentage basis to allow for the rise and fall of timber prices through the years. This tax is levied at the rate of $55 on all forms of timber except pulpwood and at $50 on pulpwood. The tax is then computed on the basis of the current average stumpage market value of all forms of timber as determined annually by the Louisiana Forestry Commission and the Louisiana Tax Commission.

In the four state areas of Louisiana, Arkansas, Mississippi and Texas, only Texas levies an ad valorem tax against their growing trees. That practice threatens the future health of the forest industry in the longhorn state. As a matter of fact, many landowners are selling their forest acreage to persons planning to use it for purposes other than growing trees, and many are converting their land holdings to uses other than forestry, because they can no longer economically afford to keep their trees.

A forest landowner must wait twenty years to realize any return from his investment, and for many, the major return will not be realized for 50 or more years. During the first 15-20 years, when this young crop of trees is extremely vulnerable to fire, insects, disease, hurricanes, ice storms and other acts of nature, its value to the owner is virtually nothing, because it is not merchantable. If it manages to survive and maintain a healthy growth, it could be increasing in value at a rate of $5 to $7 per acre per year. During its later life, when it has reached merchantable size, its value increases a little faster, at perhaps $14 to $18 per acre per year. Because of the high risk, long term investment, and low return experienced by forest land owners, Louisiana's constitution allows for the payment of ad valorem tax on the land each year during the growth period of timber, and allows for the payment of tax on the timber at the time of harvest, when the owner has realized a return from his investment.

This is a good and equitable law. It provides fair treatment to all of the state's 120,000 forest land owners. It provides financial aid to our parishes, since 73% of the severance tax is returned to the parish from which it was collected. (Many Police Juries have adopted resolutions directed to the Constitutional Provision urging retention of this provision.) Furthermore, this provision is favored by a great number of the assessors around the state, especially those who've been in office long enough to remember how it was before passage of this provision in 1954.

The Louisiana Forestry Association has officially taken the position that the retention of Section 1, Article X, dealing with severance tax on timber should be retained in the Constitution -- if any other tax law is allowed to remain there. However, if all other tax measures are removed, we would not stand in the way of progress by attempting to have this provision retained as the ONLY tax measure left in the Constitution.

We would urge that you make the distinction between reforestation contracts and provided for in Paragraph 3, of Article X, Section 1, and the severance tax provisions beginning in Paragraph 5, of that section. We reforestation contracts have been executed during the last 22 years and no more are expected. This provision of the Constitution is no longer used and so long as the state honors existing agreements, this provision could be eliminated from the Constitution.

Thank you for the privilege of presenting this statement.

Mr. Chairman and members of this Distinguished Committee.

I am Marvin L. Lyons, Executive Director of the Louisiana Municipal Association. I appreciate this opportunity to appear before you this morning to discuss the role of this Committee and its relationship to the municipal governments of our state.

Before going into that, however, let me briefly identify for you the organization I represent.

The Louisiana Municipal Association is a non-profit corporation, representing 260 member municipalities. The purpose of the Association is that of assisting the municipalities of this state, large and small, their elected municipal officials and administrative staffs in their efforts to adequately cope with growing problems of their communities. The Association maintains liaison with Federal and State agencies having jurisdiction over municipal affairs, with the Congress and with the State Legislature, and furnishes advice and counsel, when requested, to Louisiana municipalities on all aspects of municipal law and government.

We are sure that the members of this Committee already appreciate the role of municipal government in our modern urban society. However, we believe it appropriate to point out that not only does close to 70% of Louisiana's population live in municipal or urban areas, but that this large segment of our population daily looks to municipal government for most of their basic governmental services.

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By way of example, municipal governments are solely responsible today for local sanitation, and must through adequate police and trash pick-up and the development of sanitary sewage treatment facilities not only provide for present needs but the long range requirements for environmental improvement. In addition, the municipalities must furnish fire and police protection, street lighting, adequate traffic control devices and the many other facilities necessitated by the requirements of urban life. They are not only responsible for providing these services, they also have a potential legal liability for failure to do so.

Unfortunately, the current body of law under which our municipalities operate has all too often served to constrain local initiative and has prevented local officials from reacting more positively and more responsibly to the problems of their communities. Much of this legal framework is embodied in our State Constitution and it is important to recognize that this document is more than 50 years old and was written when Louisiana was basically a rural state. Serving a rural population, governmental, is a comparatively simple proposition. As noted above, Louisiana is no longer rural, but rather is almost three-quarters urban and servicing this population is a much more difficult and complex task.

For these reasons, the municipalities and other governmental units who have these local responsibilities must have broader authority and greater flexibility, and this broader authority and greater flexibility can only be achieved through constitutional change. The municipalities of this state have too long been considered mere creatures of the Legislature, subject to general laws and, in some cases, special laws enacted by the Legislature which bear upon purely local matters.

The present system in interpreting existing constitutional and statutory provisions with the rare exception of the combined government in East Baton Rouge Parish and the Parish government in Jefferson Parish, have been unwilling to depart from the outdated concept that municipalities are mere creatures of the Legislature. We believe that this Committee has a rare opportunity to bring about true self-government at the local level.

There has been handed to each member of the Committee a copy of the Louisiana Municipal Review of December 1971, which sets forth the total Louisiana Municipal Association Legislative Program based on a report of a special planning Committee. In an effort to give municipalities broader authority and greater flexibility in dealing with local problems, the Association has previously made restatements here following constitutional recommendations:

1. Louisiana municipalities should be given broader authority to raise revenues locally to meet their own needs.

   Under the constitution of 1921, municipalities as well as the parishes are severely restricted in their capacity to raise revenues locally to meet local needs. For example, under Article XIV, Section 11 of the Constitution, the parishes are limited to 4 mills ad valorem tax annually for general operating purposes; and under Article XIV, Section 12, municipalities generally are limited to 7 mills annually for general operating purposes, with larger municipalities having the right to levy additional 1 mill for police purposes.

   The Association supports the approach adopted by the Committee of the Louisiana Law Institute, as well as the approach contained in the 1954 Report, which would give the municipalities the power and authority to levy taxes necessary for their local needs, subject to the right of the Legislature to restrict the amount of the taxes which might be levied and to fix the conditions under which such taxes would be levied. This would take tax limitations out of the Constitution, and thus avoid the necessity of future amendments, while at the same time, granting to the Legislature the authority to establish restrictions and conditions, where appropriate.

2. The Louisiana Legislature should be provided with imposing financial obligations on municipalities without providing them with the additional revenue to meet such obligations.

   There have been occasions where the Legislature has, from time to time, added to the financial problems of the municipalities by imposing financial obli-

ations on them without providing additional revenue with which to meet these obligations. One example is legislation which increases the minimum pay and provides other benefits to a specific group of municipal employees, without providing funds by which this may be done. The effect of such legislation is to impose not only an increased burden on limited municipal finances, but to create administrative problems which are bound to result, where one segment of municipal employees is singled out for favored treatment at the expense of others. Such legislation constitutes a perfect example of legislative interference in the operation of closely local municipality affairs without the Legislature having to assume responsibility for adverse effect on local governmental administration.

3. The time limitation on annual municipal operating millages should be eliminated at least extended to coincide with the life span of the project or the service for which it was levied.

   Under Article X, Section 10-A, municipal governments are given the power to levy special millages for operating purposes, over and above their regular millages, provided that the rate, the purpose and the duration of the tax be first submitted to a vote of the people. The duration of these millages is limited, by law however, to 10 years. At the end of that time, they either have to be dropped, or re-submitted to the people.

   The fact that these taxes have to be renewed every 10 years poses serious problems.

   For instance, a municipality might seek to levy one of these millages to maintain and operate a new water system or a sewer system, which might have an estimated life of 25 years. At the end of the first 10 years, if the people decide not to renew the maintenance tax, I think you can see the problems which could develop.

   Undoubtedly I am not recommending that the right of the people to vote on these millages be eliminated. All I am suggesting is that the time limitation be eliminated, so that a municipality could provide in the election call that the tax would be for an indefinite period, or to cover the life of a project or for whatever stated period they felt appropriate.

Respectfully submitted,

[Signature]
Executive Director
Louisiana Municipal Association

[Statement of Ed Stein.]

I don't suppose there is any subject that I have studied more in my life time than the property tax. And today I find it far more difficult to offer a solution that I did 15 years ago. I am, however, a little more sure today that I know some of the things we ought not to do.

Why all this complexity about a tax that on the surface appears to be simple: you have a piece of property, you place a value on it, you levy some mills on that value and you collect the tax. If that were all there were to it, it would be simple. But how do you arrive at value? Which property do you tax? Which property do you not tax? Which property cannot be found? Which property does society want to give special treatment? The questions are endless and the laws---both constitutional and statutory---reflect the shims, the changes of mind and the different philosophies of people of all lands in the world throughout 25 centuries. And what we have today, that we refer to as the ad valorem tax, is a different animal

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from jurisdiction to jurisdiction, from state to state, from nation to nation. Every problem we face today has been faced by men centuries ago. Some of them have learned something from having faced them and have discarded some of the more obvious aspects of the property tax. We in Louisiana could learn from history too, but we seem determined to head pell-mell to repeat all the mistakes of history by listening to self-righting politicians who play up to our greed.

principally, who indicate they have no concern whatsoever for the future development of the state and who, if they are left to guide the system, will continue to keep the state in turmoil for some time to come. They, of course, will not prevail though they may last a few years or even five or ten at the most. But someday, if through no other means, the 14th amendment to the United States Constitution will settle it all, for that amendment isn’t even subject to repeal by certain of our loudest politicians.

Thus I suggest that it would be well in setting forth the fundamental provisions in our constitution that guide us with respect to property taxation, that this committee take a look at the trail the property tax has left since history began keeping a record on it in Greece in 485 B.C.

There is much to be learned from that history.

It would be well secondly for this committee to acquaint itself with the current trends -- not only in this nation but in other nations -- with respect to property taxation, so that whatever you decide does not impede our getting in step with that trend if we conclude that it is good for this state. Some of those trends appear to me to be the kinds of things that can make or break this state economically over the next generation or two. We do not take them into consideration. I suggest that we look at what it is that makes up the property tax base in Louisiana and the trends of that base in this state over the past generation, and compare our base and trend with those of other states with which we hope to compete for the next couple of generations during which I hope the constitution you write will survive. We are deliberately out of step in what constitutes our property tax base, with that of most industrial states, and we are getting further out of step each year. At this point it is not a major economic deterrent because of the relatively low use being made of the property tax in Louisiana. It, however, will become a decided economic deterrent if, if we continue the present trend in our state, we will be establishing a widening gap between the economic and the potential for outside investment capital in Louisiana as compared to other states.

I do not ask this convention to correct this trend in rewriting the constitution. I only ask you not to impede its correction. You do not have the time nor can you gain the consensus for making this change.

I have some personal acquaintance with the kind of time it takes to achieve property tax reform. I have been working at it deliberately for 15 years. The failures have been many during that time -- the achievements have been few. But the achievements are now beginning to come and they will continue and I am one who would prefer to lose for 15 years and win the 16th rather than win the first 15 and lose the 16th. But property tax reform cannot be achieved this year. In fact it should not be achieved this year because no governmental reform is really worthy of being called reform unless the people participate or at least acquiesce in it. There is no way the people can become sufficiently knowledgeable and informed of the property tax issue to participate or acquiesce in any kind of reform in that short period of time. I am firmly convinced that property tax reform in this state will be achieved through court order - perhaps as a result of the Bussie decision. Once that is achieved and made operative the most of the people of this state, I am convinced, will acclaim it as something that they approve. It is, however, an exceedingly complex issue and it is not going to be understood so long as many high placed political leaders continue to appeal to the basest of all human attributes - greed. For nothing anyone else says seems to be sufficient when certain men will yell 'they’re going to raise your taxes."

As you may recall I served on the governor's special committee to develop a plan for property tax equalization, from 1964 to 1966, during which time a governor reached the conclusion that he wanted to lead this state to a system of property tax equalization. I think we could have done it, for he was a most popular governor at the time. But a few major taxpayers and a whole lot of assessors convinced him it would wreck him politically. As you know he dropped the hot potato and us with it. That plan is still available. It is still a good plan, but I have no brief for it because other plans can also be devised. It really makes little difference anyway in view of the Bussie decision, for if that decision is upheld by the court we will have property tax equalization in Louisiana. The principal thing I would urge this committee to do is to be thoroughly familiar with the Bussie decision in all its aspects and to do nothing to impede its implementation - provided it is upheld on appeal.

A few moments ago I mentioned that you do not have the time to reform the property tax. I think the same suggestion applies to tax reform in general. The convention does not have time to achieve tax reform. It does not have time to achieve reform of the executive branch. It does not have time, in short, to achieve governmental reform. You do have the time to achieve constitutional reform. The measure of your success in achieving
constitutional reform will be whether you facilitated tax reform, reorganizational reform and governmental reform in general, or whether you impeded it.

The Jones Administration of 1910 is looked upon as one of the most outstanding periods of political reform. As unusually great number of very significant reforms were achieved during that 4-year administration. But they were not really political reforms that had the support or acquiescence of the people. In time almost all those reforms were swept away by subsequent administration because the people had not in fact been major participants in the decision-making process. That I believe is an absolute essential in a representative democracy. Without it political reform is not in fact achieved.

The participation of the people quite obviously cannot be provided in any short period of time. That is why it takes years, many times, to achieve a change in government that all of the researchers agree should be implemented now. If that change is really to have stability and if we really do believe in representative democracy, then we know our job is to involve the people—all the way along the line—in the development of the political change. That's simply not possible during the short time you have before you, so I plead with you not to allow yourselves to become involved in deciding all of the intricate questions of governmental reform, for in so doing you will not even have the time to do the research necessary and you cannot possibly involve the people. The results of such efforts will be an almost certain death to whatever is written as the constitutional document.

What should be in the constitution on the property tax. As you, I am sure know, the model state constitution of the National Municipal League makes no mention of a property tax or any other kind of tax. It doesn't even authorise the legislature to levy any tax and certainly, therefore, doesn't the legislature to exempt anyone from a tax. It does not provide for reforestation, for industrial tax exemption, for income tax rates, vehicle license rates, it does not set up a maze of dedications of these taxes to go into one fund, spill over into a second and then spill over into a third and finally to trickle down to the general fund so as to produce an absolutely incomprehensible taxing system such as we have in Louisiana. It recommends nothing on the subject. It assumes that the inherent powers of the legislature are such that they can do anything they are not prohibited from doing by the United States Constitution and the state constitution and, therefore, full authority to tax is automatically in the legislature, full authority to exempt anyone from taxation is also inherent with the legislature. I do not know whether any states have actually adopted the model, but at least it does give us a reference point as to what has to be in a constitution on the property tax. The answer is that nothing has to be in the constitution on the property tax.

You will be e to decide what ought to be in a constitution, what the people will allow you to take out of it. I don't have the answer; I only hope that by September 30 you will have the perception to make that decision.

As a minimum I would think you would want to keep the "uniformity" clause for all taxes in Article X, section 1. It's not absolutely necessary, but like the Bill of Rights it seems to be one of the things we ought to do— even though the people have protection in both counts in the U. S. Constitution.

Next, if we are to assume you will not go all the way to a bare bones constitution, what are some of the things you might put in the constitution?

Many states establish a standard of value, as we did until 1972 in the constitution, at actual cash value, true value, or full value. You could do that, or leave it out and keep it in the statutes as at present. Actually, whether it's in the constitution, in the statutes, or nowhere, it may make little difference in the long run; for any court in deciding the issue would have to find a standard to conform to the uniformity clause in the Louisiana Constitution and the equal protection and due process clauses of the U. S. Constitution, and that standard, or an ad valorem tax would be non other than value. So unless you prefer to have actual courts do our legislating for us, I suggest you consider establishing the standard of value.

Next, should the Tax Commission be created in the constitution or not? Constitutional purity would say no. In fact it may not need to exist as a separate agency. Some states saw it as a part of the Revenue Department with all appeals and supervisory powers. On the other hand, do you want to indicate to the world that we have experienced in Louisiana for generations, or do you want to join in the spirit of the decision of the Supreme Court and say it's time for the law to be carried out. The Tax Commission has not, in my memory, functioned as it should, for it has not had the support of the Governor for many sustained period. But it has now been provided with the back-up it needs, for it can now be held in contempt of court if it continues to ignore its duty. I ask, on only to look ahead 5 years from now and ask yourself, "will I then be proud of the decision I'm making now on the property tax?" I think you know by then we will be a property tax equalization, no matter what. The tax goals will be no more. Whether you will be with them then may be determined by whether you are with them now.

Almost all states give their Tax Commissions some state agency the power to assess and equalize property taxes, as does Louisiana. I trust you will not take it easy.

Now let's look at the special provisions in the constitution for forest land taxation and the much discussed industrial tax exemption. But let's not stop there. Let's also look at the "vested exemption," the "thoroughfare exemption," the "exemptions for churches and schools and fairs." Then let's look further at just about everything we and individuals own: at the automobiles, household furniture, at the cows, the horses, the chickens, and the ducks, geese and guppies, all the crops of our farms, even our boats— gasoline, but not diesel— at just about everything the average guy could own. We've skipped it all.

but are you going to do about it? I suggest you take them all and treat them alike— when it it is. Constitutional purity would
You have had ample before you many persons who know much about the property tax. But no one has appeared before you who is more knowledgeable than Mr. Frank Simoneaux, Deputee at the Louisiana House of Representatives, know more about it than he. And I challenge anyone to show that his merits are anything other than the best interests of Louisiana and its people. I commend to you his testimony for reading.

Tomorrow another very learned attorney and U. S. District Judge, John H. Landry, whose credentials are equally in the property tax field, will appear. You will meet few men in our lifetime who can equal this man in brilliance, legal talent, knowledge of the law, or purity of character. On whatever subject he chooses to discuss, he is worth listening to. Especially so when he speaks on the property tax law. For he is a student of it and a good one. Listen to him—whether or not we listen to me.

The day has come—finally—in Louisiana when the law governing the property tax is about to be enforced...when assessors can go back to the only job the law has assigned to them—assessing...when officers and school boards can regain their long lost power of legislating and having some semblance of control over their budgets. It has been such a long time coming, but no one, no group, can any longer stop it. I trust many of you know that.

But more important for you in our mission to rewrite the constitution, you don't have to dismantle your morgue trying to resolve an insoluble problem into a new one better suited to 1973. You have it as best we know. For that I have no understanding.

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IN PREPARING FOR AND PLANTING A FOREST STAND, AND THEN THE MANY YEARS WHEN IT HAS NO COMMERCIAL VALUE AND IS EXTREMELY VULNERABLE TO DAMAGE AND LOSS BY FIRES, INSECTS, DISEASE, WIND, AND ICE.

THIS EQUITABLE SYSTEM OF TAXATION, AND ESPECIALLY ITS PROTECTION IN THE CONSTITUTION, HAS A MAJOR CONSIDERATION ON THE PART OF MY COMPANY IN INVESTING MANY MILLIONS OF DOLLARS IN FOREST LANDS AND PLANT CONSTRUCTION IN WESTERN LOUISIANA A FEW YEARS AGO. IT SHOULD BE NOTED THAT BOTH OUR DE RIDDER PAPY MILL AND DURQUIN UTILIZATION CENTER ARE ONLY A SHORT DISTANCE FROM THE SABINE RIVER, AND THAT A SIGNIFICANT PORTION OF OUR ORIGINE LAND PURCHASES WERE IN TEXAS. NOT AGAIN IN NO SMALL WAY TO THE LESS ENLIGHTENED FOREST LAND TAXING POLICIES OF THAT STATE, OUR OWNERSHIP INTEREST IN TEXAS HAS BEEN DECREASED DRastically.


WE URGENTLY REQUEST THE CONTINUANCE OF THIS PROVEN SUCCESSFUL APPROACH.

THANK YOU.

FRANK W. BENNETT, JCF
Consulting Forester
April 12, 1975

Our next speaker was born in Louisiana, the son of a lumberman. He found himself in the lumber business at the age of 19. He had purchased a substantial tract of timber and a portable sawmill before he was old enough to vote.

Bennett graduated from LSU in Forestry in 1928.

After working as Assistant State Forester of Louisiana for nearly two years, Bennett attended the Yale School of Forestry from which he received his Masters Degree in Forestry in 1931.

Mr. Bennett worked in every southern state while with the U.S. Forest Service. His work with this agency covered a period of more than ten years and included positions in both the Administrative and Research branches of the Service.

He volunteered and served as Captain in World War II. At the end of the war he again went into the lumber business and was President of Eureka Lumber Company, Inc. He and his brother also operated a retail lumber business at Baton Rouge. This business was sold to his brother and Frank Bennett then entered his present occupation as Consulting Forester in 1950. He was one of the first consulting foresters in Louisiana.

His work includes all phases of forestry. His firm of Bennett & Peters, Inc manages 256 thousand acres of timberland in Louisiana for clients.

Frank Bennett is a registered Forester, a director of the Louisiana Forestry Association, the Forest Farmers Association and Association of Consulting Foresters. He is past president of two of these Associations. Frank is a Rotarian and is an Elder in the First Presbyterian Church of Baton Rouge.

A Statement by Frank W. Bennett, Consulting Forester to the Committee on Committees, State Constitutional Convention to be delivered at 1:30 P.M. at the Chamber of Commerce office in New Orleans on Friday, April 13, 1975

Tucked away in small isolated tracts of land in the rural areas of Louisiana are many Tree Farmers. For the most part these are small landowners holding 80 acres of forestland or less. Collectively, they own most of the forestland owned by individuals in the state. According to the Louisiana Forestry Commission Bulletin No. 5, published in 1969, there are 121,248 forestland owners (excluding all public lands) holding a total of 14,600,853 acres. Landowners with 5,000 acres or more, including the forest industry lands, total 174 owners holding 6,149,260 acres.

Without the smaller private landowner, Louisiana could not support the hundreds of millions of dollars in forest industry which we have today. These small landowners could not practice good forestry without a fair and equitable tax law. This is what we have in Louisiana and it has proved successful over a period of nearly twenty years. To take away this highly equitable law these small landowners simply would not be able to make the capital investments necessary to grow timber over a long period of years, and face the risks of forest fires, insects, disease and hurricanes; our forest industries and their payrolls would suffer accordingly.

In 1954 the State General Assembly passed by a two-thirds majority in each House a revision to Section 1, Article 10 of the Constitution of Louisiana to provide for the taxation of forestland and timber growing thereon. This Constitutional Amendment was ratified by the public on November 2, 1954 by a vote of 127,463 FOR and 47,183 AGAINST the amendment. The amendment took effect on January, 1955.

This amendment has been referred to as the Louisiana Forest Taxation Law. It is sometimes called the Timber Tax Law. In either event, this constitutional amendment, in my opinion, has done more to encourage the growing of timber in Louisiana than any other single happening. It has encouraged industrial landowners holding larger acreages of land to do the same. The small owners are the people that we work with mostly and the ones which I know cannot continue to practice good forestry without the Louisiana Forest Taxation Law or something similar.

To protect large payrolls as well as the small timberland owner, it is my request that this amendment to the constitution be retained in the constitution if other acts of this nature are included. If they are not included in the constitution, then some protection should be given the Forest Taxation Law to insure that it would not be a political football to be changed and amended with each session of the legislature. Timber growing is a long-term venture.
and certain safeguards have to be set up to protect the owner who has invested his money with the hope of receiving a return in 10, 20 or 50 years in the future.

Let's look at what happened before the Louisiana Forest Tax Law was enacted. Landowners were planting trees at a rapid rate following World War II. In the early 1950's, some of these tree farmers found that their tax assessment had been raised 183% in five years. They were faced with the probability of not planting any more trees and perhaps destroying the ones which had been planted because, at age five, they had no market value. Following the constitutional amendment the landowners were quite pleased to plant trees in large numbers. In the area of DelRidier, Louisiana more than half a million acres were planted and these young trees, along with some older timber, were responsible for one of our largest wood-using industries in the state to move in during the 1960's. I speak of Boise Southern which has invested more than a hundred million dollars in capital outlay to manufacture lumber, plywood and pulp and paper. Without the pine trees, the industry could not have come to Southwest Louisiana.

Another benefit shows up in local tax returns. The constitutional amendment requires that the severance tax imposed must be collected by the State of Louisiana and seventy-five (75%) percent returned to the parishes from which the timber was grown. In 1971 (the latest figures available) at least a dozen parishes were receiving as their share of the timber tax more than $47,000.00 each. Four parishes received over $70,000.00 and one parish, Winn, received over $109,000.00. These are all rural parishes with limited assets to tax. Just ask any of these assessors or police jury members if they are happy with the present forest tax law and I think they will answer in the affirmative.

[Statement of Edmund G. Miranne.]

Ladies and Gentlemen:

I address you this morning in somewhat of a dual capacity. First, as President of Security Homestead Association, the 3rd largest homestead association in Louisiana: but secondly, and of more importance, as head of a people, service oriented lending institution.

It is the latter capacity that we can establish some good, sound dialogue. It is in that area that we have a common denominator, for your bosses are the same as Security's people.

To this end, some background might be helpful.

LADIES AND GENTLEMEN:

TODAY I WOULD LIKE TO ADDRESS YOU PERSONALLY IN MY CAPACITY AS PRESIDENT OF THE SECURITY HOMESTEAD ASSOCIATION, THE THIRD LARGEST SAVINGS AND LOAN ASSOCIATION IN THE STATE OF LOUISIANA. I DO SO WITH THE OBJECTIVE TO KEEP ALL OF THE BENEFICIARIES OF THIS ASSEMBLY, YOUR JOB IS TOUCH ENOUGH AND WE ADMIRE AND RESPECT YOU FOR IT. I ONLY THINK THAT YOU MIGHT FIND SOME OF MY REMARKS HELPFUL IN YOUR

RATIONALIZATION:

NATURALLY, THE MOTIVATION OF MY OWN ASSOCIATION IS TO ENCOURAGE MORE LOANS AND

HOME DEVELOPMENT TO THE GREATEST DEGREE POSSIBLE, CONFORMING WITH STATE AND FEDERAL REGULATION. IT HAS BEEN OUR EXPERIENCE THAT, OF THE LOANS MADE BY US, THE FOLLOWING BREAK-DOWNS APPLY:

<table>
<thead>
<tr>
<th>TYPE OF LOAN</th>
<th>VALUE</th>
</tr>
</thead>
<tbody>
<tr>
<td>RESIDENTIAL LOANS</td>
<td>6%</td>
</tr>
<tr>
<td>MULTIPLE HOMESTEAD LOANS</td>
<td>2%</td>
</tr>
<tr>
<td>COMMERCIAL LOANS</td>
<td>2%</td>
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</tbody>
</table>

IT CAN BE READILY SEEN THAT THE PERCENTAGE VOLUME OF OUR LOANS FAVORS SINGLE RESIDENCE, UNDER OCCUPIED BUILDINGS, FURTHER EXCEPT FOR THE LAST CATEGORY OF MOBILE HOME AND INSTALLMENT LOANS, ALL LOANS ARE SECURED BY REAL PROPERTY. THE VAST MAJORITY OF OUR DEPOSITS, OF COURSE, ARE INDIVIDUALS.

OUR RESIDENTIAL LOANS ARE OF THE USUAL AND NORMAL TYPE -- EITHER INDIVIDUALS PURCHASING FROM OTHER INDIVIDUALS (OR BUILDERS), OR MEANS OF A SALE TO, AND RESULT FROM, OUR ASSOCIATION: OR INDIVIDUALS BUILDING THEIR OWN HOMES THROUGH CONTRACTORS ON PLANS AND SPECIFICATIONS, BY MEANS OF BUILDING CONTRACTS ORębOWN ARRANGEMENTS, OF INCREASING IMPORTANCE IN OUR BUSINESS IS PARTICIPATION WITH OTHER HOMESTEAD ASSOCIATIONS IN FINANCING THE DEVELOPMENT OF CONTRACTOR SECURABLE EVIDENZ: SUBDIVISION UNITS OF OR MULTIPLE RENTAL UNITS.

WE HAVE FOUND, AS OF NOW, AND SEE IT BEST TO FOLLOW CERTAIN TESTED METHODS:


THE COMPLETION THEREOF, THE AVAILABILITY OF SAVINGS AND UTILITIES, NEARNESS TO SCHOOLS, COMMERCIAL AREAS, ETC. WE HAVE NO CONNECTION WITH THE CAR SAFE AND EXCEPT TO OBTAIN THE VALUE, THROUGH THEIR EXPERIENCE, FOR A FEE PAID BY US. WE EXERT NO INFLUENCE OVER THE C.A.A. AND CERTAINLY HAVE TO EXERT NO INFLUENCE OVER IT. IT REMAINS, AS LENDERS, TO HAVE AN ADEQUATE APPRAISAL AS TO CURRENT MARKET VALUE SO AS TO AVOID "DIRECT" LOANS, OR ANY TYPE WHICH MIGHT DISTORT THE VALUE OF OUR INSTITUTION OR ITS DEPOSITS.

UNTIL A VERY FEW YEARS AGO, THE MAXIMUM LOAN WHICH MY ASSOCIATION MADE WAS 60% OF THE COST OF THE CAR FOR IMPROVED PROPERTIES AND 70% OF THE COST OF UNIMPROVED PROPERTIES. THE THRESHOLD OF MORE RECENT VINTAGE HAS BEEN TO 80% THAT PERCENTAGE AND IT IS FORSAKEN IN THE IMMEDIATE FUTURE THAT IN CERTAIN SELECT PROPERTIES AND WITH ENOUGH TO PERCENTAGE THAT LOANS MAY APPROACH 95% OF CAR.

MY ASSOCIATION DOES NOT STAND ALONE IN THIS APPROACH TO MORTGAGE LENDING. AGAIN, IT HAS BEEN OUR EXPERIENCE THAT OF OTHER HOMESTEAD - THAT LOAN PURCHASED CLOSURES ARE SO LIMITATIONAL SO THAT THE ECONOMY EFFICIENTLY STABLE, THE FUTURE IN MORE CONCERNED IN THIS AREA BECAUSE OF SUCH A HIGH DEGREE, AND WITH DEPOSING SO FEAR PROTECTED, THAT A RECESSION WOULD HAVE TO BE CANCELLED TO ADVERSELY AFFECT ATTORNEY'S INTERESTS -- OURS OR THE MORTGAGEE'S.

INDEPENDENT STUDIES OF THE GROWTH IN THE METROPOLITAN NEW ORLEANS AREA JUSTIFY CONFIDENCE IN THE FUTURE. AN ANALYSIS OF THESE STUDIES REVEALS THE FOLLOWING:

A. WE ARE MARRYING TOO MANY LOANS OF LESS THAN $10,000.00, UNLESS FOR REPAIRS TO EXISTING EVIDENCES: DICKERS OR FOR VACANT PROPERTY TO BECOME THIER OWN HOME SITE.

B. THAT TOW AND MIDDLE CLASS, WHITE COLLAR WORKERS ARE PURCHASING RESIDENTIALS BETWEEN THE $25,000.00 TO $45,000.00 PRICE LEVELS.

C. THAT MOBILE HOME TRAILER SALES ARE BOOMING, BOTH AS PRIMARY HOME FOR
young engineers or for translators, or, and sometimes, as week-end, second home, and this is a new spectrum of financing for us, and the growth potential is vigorous and virtually unlimited as yet.

0. according to the editorial analysis report prepared for the regional planning commission, properties of jefferson, oreigo, st. bernard and st. tammany, real estate values have not caught up with the region, nor is it likely to meet the next few years, particularly within median income levels.

so that what i am trying to put across is this -- our area is within growth patterns almost identical patterns. in this, we stand apart from many urban areas. what lies before all of us is not a vote, but a viable, realistic kind of

future with allied construction implementation. it adds up to dollars in station, providing palatable living standards -- and with the attendant industry and economic spinoff on by the zeal of americans to better themselves. in its vitality, it is the perfect cycle, the zero variety of cycle, but the complete loss of human beings working hard to enjoy their lives, to achieve goals, and, in turn, stimulating the dollar until it reaches every pocketbook. it is democratic, enterprise in its finest form, we are fortunate that we need no teleprompter to

- it is here, now, and our recent telephone is readily exposed to the ricerca by those who are willing to see.

it has been determined by economists that 20% of a person's income is the half allowable for housing, even with the encouragement of eviction in the various areas of life at that percentage, we have not, at least, felt any reversal in the status of home ownership, such may not always be the case. further erosion or home dollar might well be the strain that breaks the camel's back.

let me address myself to you on that -- to express the concern not only association, but of its many, many members. this is a very real concern, personally, have been frequently asked about it. in a word, welcome this

municipality, on their behalf, to ask of you the age old questions -- do you see -

in your mind?

as a generality, people are contented with what they know. even if they live somewhere, or if they don't understand something, they assimilate themselves, they conform to it and they learn to live with it.

this they have done with the real estate assessment and tax situation in general. if it repeats, it is not my purpose to speak. the great departures from assessment system to explain more general are accustomed, however, as a spokesman for prices and assessments, you should be aware of why they are faced.

in a nutshell, it's this -- any action of this assembly, on any other given result in a radical change in real estate taxes paid will result in a devastation building to more ownership and the construction industry, this change will be of a substantial nature; if it adds as little as $5.00 a month to the cost of more ownership, the result will be either a selling for less in the more basic or on my buyer at all, it may mean more rental units, but these, to be of reduced quality to conform to success.

if a formula for assessment is used based on purchase price, then the tax is to be calculated over a period and passed along. i have in my mind the usual ill in the city of jefferson, let me quickly review across the hundred ills, school, parks, library maintenance, health unit, juvenile detention home, child office, public employment, series a, b & c. to keep reading, there are 19

2.

- in the city of westwego, for example, read that bill i am sure that most of the village is dedicated to some issue on capital improvement project, and bond rewards to those in whom public agency need is great would undoubtedly raise a voice and if their protection is reduced or deleted, alternatives would be the pledge of the full faith and credit of the state or municipality, to the patient from general revenues with all of the pitfalls that go with that.

people expect public services -- garbage collections, sewage and the like, and these they are willing to pay for, and do pay for.

real estate taxes are a different breed, it is not the norm to which they are accustomed. accordingly, revenues provided therefrom are undoubtedly not uniform and the public price might well be required if slightly be enhanced by a different approach. for the approach to be meaningful to the public price, the real estate taxes must generate more revenue, which, in turn, and equivalently, means higher costs of home ownership.

in the ultimate, you must decide who is to pay the price. i only want to leave with you this thought in the present controlled by the client -- a man's home is his castle. but her with real estate taxes that prevent that achievement, and you decide a man of purpose. dr. marvin luther King declared -- 'i have a dream' -- we all do. in a simplified, it is the identity of man. now better can it be expressed than in the home of home ownership and family life.

you have to evaluate what in some small way in experience over the years means as destabilized from the outbreak of public revenues. you may want the determination such as to the who and as to the future. you have to have the claimant's bureau to appreciate what the legislature and public officials can or might do over ending years to devise additional taxes through bills and other issues. you alone must make the real assessment whether or not you do will better people from getting on their own homes -- that's what it is all about, and in the vernacular, that's where the action is at.

i am confident that you will do your best and that you will do what's right, i thank you for your kind attention and with you will in your deliberations.

- statement of j. chris (l)

- gentlemen, i know what a hardron you have to be brief and come right to the point.

- equalization of assessments, which means nothing short nor less that the morris county assessment, will we find the installation of a tax burden, that will prove burdens for thousands upon thousands of homeowners and small businesses in louisiana.

- history speaks for itself, in every state where equalization has been invoked by court order, a taxpayer revolt has followed.

- let me give you a few facts. i support this statement.

- in 1964 equalization was for you on the property owned in cuval county, florida.

- homeowners and businessmen were told that as their assessment went up the village in their county were told that they would pay more taxes. that's what the were told, and that's the same today. the people of louisiana are getting today from the proponents of equalization.

- but listen to what really happened in cuval county. village did not come down immediately as promised and in one year taxes skyrocketed from $29 million to $50 million. with the result that in 1966 there were 25,000 delinquent taxpayers in cuval county, many of whom just abandoned their homes and moved away because they couldn't pay the taxes.

- consider for a moment that we have 800,000 homeowners in louisiana. how many of them would be able to pay their taxes under 100% assessment. how many of them would be forced to give up their homes?

- let me give you another example. when equalization, or 100% of the assessment was forced in new jersey there was such an outcry by the property owners that arthur goldburg, the distinguished former supreme court justice and ambassador to the united nations, was retained by the taxpayers to go before the legislature to seek relief.
The story is the same in every community which has faced the murder of
population...taxes have doubled, tripled and in some cases actually climbed to
times their original level.

If this is what groups like PFAW, the League of Women Voters, the U.S. Chamber of
Commerce, Daily Newspapers and Television Stations are trying to sell to
SSAS.

ET HE RAISE THIS POINT FOR YOUR CONSIDERATION...HOW MUCH DOES A MAN ACTUALLY
IN HIS HOMESTEAD WORTH OF HIS HOME, OR THE ACTUAL AMOUNT
DOES IN IT...AND LET'S FACE IT GENTLEMEN, FOR MOST OF US THE STORY IS THAT
HOMESTEAD WORTH OF THIS HOME...NOT US.

ANOTHER POINT I LIKE YOU TO CONSIDER IS THE FACT THAT IN JEFFERSON
PARISH RATE GOES AS HIGH AS 130 MILLS PER THOUSAND, WHILE IN NEW ORLEANS
HILLAGE RATE IS 40 AND THE RATE VARIES ACROSS THE STATE IN ALL 64
PARISHES...WHEN THE EQUALIZERS FALL OF EQUALIZATION DO NOT MEAN EQUALIZATION
HILLAGES ALSO.

THEY'RE QUICK TO SAY THEY WANT 100 PER CENT ASSESSMENT...BUT YOU CAN'T
ASSSESS IT A FAIR AND EQUITABLE IF YOU HAVE 100 PER CENT ASSESSMENT IS IDLE.
ONLY 130 MILLS AND YOUR 100 PER CENT ASSESSMENT IS LEVIED AGAINST 400 MILLS.

GENTLEMEN...THERE'S NOTHING EQUAL IN THAT...NOTHING AT ALL.
I PROMISED TO BE BRIEF AND I WILL...LET ME CLOSE BY LEAVING YOU WITH THIS
THOUGHT...THOSE WHO CALL FOR EQUALIZATION SAY IF ASSESSMENTS GO UP...HILLAGE
SHOULD NOT RISE...TAXES STILL NOT RISE.

IS THIS THE CASE...IF THEY ARE TELLING THE TRUTH...IT COULD NOT
RISE...THEN PLEASE ASK YOURSELF THIS QUESTION...WHY IS THIS NOT AT ALL?
WHY SUBJECT LOUISIANA TO THE TURMOIL WHICH HAS BESEN OTHER STATES UNDER
SO CALLED EQUALIZATION?

SHALL WE CHANGE A SYSTEM THAT HAS WORKED IN THIS STATE FOR DECADES?
SHALL WE NOT BE THE MOST PERFECT SYSTEM...BUT IS IT A SYSTEM THAT MEETS
THE APPROVAL OF THE MAJORITY OF THE PEOPLE...AND IN THIS COUNTRY, GENTLEMEN...
MAJORITY STILL RULES.

MINUTES
Minutes of the meeting of the Committee on
Revenue, Finance and Taxation of the Con-

Held pursuant to notice given by Chairman
B. B. Rayburn on April 5, 1973
State Capitol, Baton Rouge, Louisiana
Saturday, April 14, 1973, 9:00 A.M.

Presiding: B. B. Rayburn, Chairman of the Committee on
Revenue, Finance and Taxation

Present: James H. Brown, Jr.
Walter J. Champagne, Jr.
Lawrence Chehardy
Frank H. Edwards, Jr.
John Clyde Fontenot
J. A. McDaniel
Claude Maderet, Jr.
Pegram Mire
Autley B. Newton
Samuel B. Nunez, Jr.
Arthur J. Planard
B. E. Rayburn
Charles E. Roemer, III
Earl J. Schmitt, Jr.
Charles Slay
Jaaper X. Smith
Riley C. Triche

Absent: John A. Alario, Jr.
Charles A. Badeaux
David Comroe
J. D. DeBlieux
Herman Low
F. D. Winchester

The Committee on Revenue, Finance and Taxation met
in a one day session at 9:00 A.M., Saturday, April 14, 1973.
The meeting was called to order by Sen. B. B. Rayburn.
According to previous plans, the two subcommittees of the
whole committee were to meet separately, but after discussion
among some of the members of the committee, it was decided
that the two subcommittees would meet together. With no
objection to this decision, the meeting proceeded.

The Secretary called the roll and a quorum was present.

The purpose of the meeting was to hear several guest speakers,
four of whom were bond attorneys.

The first to appear before the committee was Mr. John
Cox, bond attorney. Mr. Cox expressed his appreciation for
being given the opportunity to appear before the committee.
He said that many people like the idea of revising the consti-
tution, as long as it retains everything that concerns them.

He does not subscribe to this idea. He said that in order for
government to function properly, trust and responsibility
must be placed upon the representatives of the people. Mr.
Cox strongly opposes the freezing in of board members. If
the integrity of the membership of a board is to be preserved,
we must consider what happens when any public official is
beyond the reach of public opinion.

In short, Mr. Cox said that there must be trust in
the legislature and there must not be restrictions in the
constitution.

With these remarks, Mr. Cox proceeded with his
presentation concerning bonds. He said that a municipal
bond is very simple. The interest rate depends on the
financial reputation of the borrower and the security placed
behind it. When a bond dealer buys a bond issue, he buys a
credit risk. There is no legal risk in the sale of a tax-
exempt bond. If the legal authority behind the bond is
inadequate, then this constitutes a legal risk. In order to
avoid this legal risk, the constitution must contain very
concise, but clear authority.

Mr. Cox said that Louisiana has many inadequacies. One
is the rating service having control over the interest rate
of a bond. Another inadequacy is physical reporting of the
data that can furnish information of all debts in the state.

Mr. Cox closed by saying that the best thing that
could be done is for more communities to help themselves.

Louisiana political subdivisions have the financial integrity
to handle their affairs if the constitutional authority would
enable them to do so.

Mr. Harry Simmons, director of finance of the City of
New Orleans, was next to appear before the committee.
Mr. Simmons presented the committee with several consider-
atations, one of which was the provision for maximum local
control or home rule. Another was reservation of constrictions which are regional in impact to the state. He suggested that the more flexible the proposals, the more responsive the local government will be to the people. Mr. Simmons also suggested that provisions which call for services to be provided predicated on state statutes should be viewed with very careful scrutiny. Mr. Simmons said that it is essential that New Orleans, as a local unit of government, be given statutory authority to impose and regulate local taxes in the interest of the people and to meet the current revenue requirements and future financial planning. A copy of Mr. Simmons' presentation is attached hereto and made a part of these minutes.

The next speaker was Mr. Harry Kelleher, attorney for the New Orleans Board of Liquidation. Mr. Kelleher gave a brief history of the Board of Liquidation. Mr. Kelleher recommended the following matters of reason:

1. Retention of the Board of Liquidation for New Orleans in the Constitution
2. Syndicate members of the board should not be permitted to fulfill terms created by deaths or resignations.

Mr. Ken Best of the JKB Company of Baton Rouge was next to appear before the committee. Mr. Best appeared, speaking for small and independent businessmen and addressed his remark to the collection of local sales taxes. He outlined the procedure for collection of sales tax in several parishes and demonstrated the burden of the reporting procedure. Mr. Best gave his recommendations as to the method of correcting this problem. He said that local taxes due on purchases resulting from interparish transactions should be remitted to the local taxing authority by the firm making the purchase.

Mr. Harold Judell, bond attorney of New Orleans appeared at the request of the committee. He said the new constitution should authorize issuance at full faith and credit on general obligation bonds and should provide for issuance of refunding bonds. It is not legally necessary or desirable to establish a detailed provision on issuance of bonds, as long as general obligation bonds are established as having first call on general funds.

Mr. Allan Arnold was next to appear before the committee. Mr. Arnold is the manager of the Bond Department of Howard, Weil, Labouisse and Friederichs, Inc. He traced the history of bonds in the state and gave specific data determining the sale of bonds. He said that he agrees with Harold Judell on the idea that it is not legally necessary for any issuance of bonds to be in the constitution as long as a source is provided for payment.

With the completion of Mr. Arnold's presentation, the committee decided to meet again on April 27, 1973 and April 28, 1973. The two subcommittees are to meet in the morning of April 27, 1973 and the committee of the whole is to meet in the afternoon. The committee of the whole will continue to meet through April 28, 1973.

There being no further business to come before the committee, the meeting adjourned at 1:35 p.m., Saturday, April 14, 1973.

H. S. Rayburn, Chairman

Sheriff Frank M. Edwards, Jr., Vice-Chairman

Draft of Statement Proposed to be presented to the Sub-Committee on Finance, Revenue and Taxation of the CC 73

Prepared by H. Simmons, Director Department of Finance

Gentlemen:

First let me say thank you for providing the forum to the City to address you.

I have a brief prepared statement to make, which will I hope, convey the general aspects of your areas of interest as affects the City of New Orleans.

I feel that, from our point of view, the acts of the legislature and the Constitution itself cannot be considered separately. That is to say, the legislature derives its power from provisions of the Constitution. These provisions provide the legal status and therefore, the ultimate feasibility of the many acts passed by the legislature.

While we recognize the need and requirements for many constrictive provision of the current statutes, there is, of course, recognition of those provisions which are in the interest of the constituency of the City of New Orleans. The constitutional provision which establishes and controls the Board of Liquidation of Public Debt, establishes the limits of the Bonded indebtedness can be viewed as positive areas in the minds of some.

I, of course, am not here to point out specific areas for conjecture, rather, to present to you for consideration the overall needs and concerns which affect the independence of local government in the management and control of our revenue sources.

The Mayor addressed the committee on Local and Parochial Government of the constitutional convention, and chose as his theme Flexibility: Flexibility - which is interpreted as maximum Home Rule. The ability of the City of New Orleans in the area of Taxation is severely limited by current provisions in the constitutions. The ability to raise revenues through licenses and permits are severely constrictive.
This, as you will know, is due to the requirement that local ordinances conform to the state statute relative to local law. Specifically, this means that the local law has to be consistent with the authority granted by State Statute. Generally, Local governments can legislate lesser rates or grant additional exceptions but, we cannot exceed the statutory authority of the State as defined in the revised acts of the Louisiana Statutes. An example of the constructive nature of the existing statutes is reflected in the case of Sales and Use taxes. Any time the state law is amended or additional exceptions allowed, the local taxing jurisdictions are mandated to do likewise. I consider this type provision a tremendous burden. While we recognize that existing statutes are mixed with exceptions for the Parish of Orleans and the City of New Orleans, we do not want to be treated any differently than any other parish or municipality in the State. You will have a tremendous impact on the draft of the constitution as affects Finance, revenue and taxation. I wish that you consider the provision for maximum local control or Home Rule in your deliberations.

The people of New Orleans adopted a charter in 1954. This charter, while very effective in controlling the administrations of city finances, has very severe constraints imposed on it by the current constitution. While the Charter was intended to provide a vehicle for the people of New Orleans to control their own affairs, it is at most, in the areas of Finance and Taxation surface in nature. The responsiveness of the City to respond to the financial needs of its people cannot be viewed in any other way but as obscure. When state laws became obsolete or in need of revisions to meet the demands of the changing times, such as in the case of occupational license laws, no remedy on a local level can be effected without the state legislature amending the State Act.

On the state level, prohibitions may be imposed on a particular act by another act without any reference to the act affected. To make the point, the Alcoholic Beverage Act prohibits any other license on beverages of high content. There is no exemption granted on receipts from this commodity in the occupational license statute, but however, the occupational license basis is affected by an unrelated act. Additionally, a similar situation was created by Act 664, which makes no mention of occupational licenses, but has considerably affected it. The City of New Orleans, and I suspect other municipalities, have many problems in this regard, each of which are peculiar to that municipality. Flexibility again is what is required in the draft. For without it, how can we be expected to be financially responsive to the needs of our people. Authority for levying our sales tax originally was under provision of the constitution which was the basis of the Home Rule Charter. But, however, our authority to levy an additional 1½ sales tax in 1967, enuates from a statutory provision. Serious questions are raised in regard to whether or not we are limited by the state statute, which requires that our sales tax law cannot exceed the state, or an original home rule authority, which does not have such a provision. I rarely use these brief examples of the constrictions imposed on us and I would suggest, in very similar ways, other municipalities are affected. You may, in your proposals are, the more responsive the local government will be to their people. Clearly the number of exceptions will not be required for Orleans and other parishes if the provisions in terms of constraints is broad enough in latitude to afford maximum Home Rule and management of revenue sources.

I would offer another point for your consideration, provisions which call for services to be be provided predicated on state statutes should be viewed with very careful scrutiny. An example in point are those acts which increase the cost of government locally and are not supported by the state. These acts are as constructive as the constraints imposed on local governments taxation perspectives. Imposition of policy by statute without the appropriation of state funds to finance a given service has traditionally been a beast of burden for the City of New Orleans. Increases in salary scales for police and firemen, financing the Orleans parish sheriffs offices, while vital and essential, with no provision for satisfying the financial requirements necessary to support these increases are just a few of the cases in point. I cite these for your consideration.

The City has a significant investment in personnel and the most sophisticated EDP resources and practices. Over the years, we have developed an expertise in the administration and collection of local taxes at a conservative cost to our taxpayers. The solvent operation of the City is in large measure predicated on these locally collected revenues. Budgeting and future financial planning can be seriously impaired by Acts of the Legislature over which we, as a local government unit, might have no control.

I would, therefore, propose that we as a local unit of government be given consideration of a constitutional nature within prescribed limits, the maximum flexibility of managing our Home Rule resources consistent with other units of local government.

In conclusion, I feel that it is essential in your input that we as a local unit of government be given statutory authority in imposing and regulating local taxes in the interest of our people and in meeting our current revenue requirements and future financial planning. An official policy statement will be submitted to you next month for your review.

Thank you for your time.

MINUTES

Minutes of the fifth meeting of the Revenue, Finance, and Taxation Committee of the Constitutional Convention of 1973

Held pursuant to notice mailed by the Secretary of the Convention of April 19, 1973

Senate Chamber of the State Capitol
Baton Rouge, Louisiana
Friday, April 27, 1973

Presiding: Sen. B. B. Rayburn, Chairman

Present

John A. Alario, Jr.
Walter J. Champagne
David Conroy

Absent

Charles Badeaux
Sen. James H. Brown
Lawrence Chehardy
Sen. J. D. De Blieux
Sheriff Frank M. Edwards
John Clyde Fontenot
J. A. McDaniel
Dr. Claude Mauberret, Jr.
Pegram More
Austley B. Newton
Sen. Samuel B. Nunez, Jr.
Arthur J. Planchar
Sen. B. B. Rayburn, Chairman
Charles E. Roemer, III
Karl J. Schmitt
Charles Slay
Risley C. Triche
F. D. Winchester

Herman Lowe
Jasper K. Smith

The chairman called the committee to order at 10:15 a.m. and following the roll call, a quorum being present, the agenda was reviewed. Messrs. Lowe and Smith were granted leave for one day and two days respectively.

Mr. Winchester was recognized and read a statement from the Research Institute of America, which he asked to be made a part of the minutes. A copy of this statement, Item 53, is attached hereto and made a part of these minutes.

Mr. Mire then presented the plan of the Louisiana Assessors' Association as released to the news media on April 26, 1973, and copies were distributed to the committee. A copy is attached hereto and made a part of these minutes.

In the discussion following, Mr. Mire explained the implementation of the plan, urging that a constitutional proposal be adopted, and saying that a procedure for implementation of the plan would be introduced to the legislature.

Problems regarding the shifting of tax burdens from the homeowners to other taxed property were discussed at length. Millages and percentages of assessments, intangible and movable property, farm and industrial property were included in the topics. It was determined that millage roll backs, would make the need for homestead exemption negligible, were the plan to pass.

Senators Nunez and Rayburn questioned Mr. Mire about the plan's effect on farm land. Mr. Fontenot asked to be put on record as opposing an increase in farm property taxes, reasoning that there were more homeowners than farmers and that homeowners should pay a proportionate share of the taxes.

Mr. Roemer addressed his remarks to the assessors, saying that farmers would pay more taxes unless they paid their fair share, but the danger was that farmers would also pay the homeowners' share. He, too, asked to be recorded as opposing that portion of the plan dealing with farm property.

Senator Nunez asked what the cost of eliminating ad valorem property taxes on homes would amount to.

Mr. Champagne reviewed the figures he had requested from the staff on parishes and school boards presently operating under a deficit.

Following lengthy discussion of Mr. Champagne's presentation, Senator Nunez read the minority report of the Governor's Revenue Sharing Committee, and asked that it be recorded in the minutes. A copy of the report is attached and made a part of these minutes.

Senator Rayburn asked for alternative solutions to providing funds for those parishes now under revenue sharing who have no surplus monies.

Discussion followed on the possible changes which would be necessitated were the Property Tax Relief Fund to be re-established in keeping with the court's prohibition on the distribution of the fund.

The committee was recessed for lunch at 11:55 a.m. with the chairman's suggestion that following the luncheon recess, at 1:30 p.m., the subcommittees meet.

The committee returned from lunch to hold a brief discussion before dividing into subcommittees. The committee meeting, at 2:00 p.m. was ordered recessed until 9:00 a.m., Saturday, April 28, 1973.

Sen. B. B. Rayburn, Chairman

Sheriff Frank M. Edwards, Jr. vice-chairman

The committee was called to order Saturday at approximately 9:35 a.m. by the chairman.

Present
Sen. B. B. Rayburn
Walter J. Champagne
Lawrence Chehardy
John Clyde Fontenot
J. A. McDaniel
Dr. Claude Mauberret, Jr.
Pegram More
Austley B. Newton
Sen. Samuel B. Nunez, Jr.
Arthur J. Planchar
Charles E. Roemer, III
Karl J. Schmitt
Charles Slay
Risley C. Triche
Herman Lowe
David Conroy
Sen J.D. De Blieux

Absent
John A. Alario, Jr.
Charles Badeaux
Frank M. Edwards, Jr.
Jasper K. Smith
F. D. Winchester

Following the roll call, the chairman relinquished the chair to Mr. Triche, chairman of the Subcommittee on Revenues Other Than Property Taxation, who called that group to order. The Subcommittee on Public Finance joined the revenue group in the discussion.

Mr. Triche first reviewed the actions taken Friday by the subcommittee.

Senator De Blieux moved that the subcommittee again defer action on consideration of Article X, Section 21, regarding the severance tax on sulphur. With no objection, the motion carried.

Discussion followed on the ten-year exemption by local and parish governments to new manufacturing establishments. Mr. Chehardy and Mr. Schmitt rose in opposition to retaining Article X, Section 22, in the new constitution.

Senator De Blieux moved to direct the staff to draft a proposal to delete Article X, Section 22, regarding that exemption from the proposed constitution. Mr. Champagne seconded. Without objection, the motion carried.

Senator De Blieux moved to have the staff draft a proposal to delete Article X, Section 24, concerning relief of manufacturing establishments, from the constitution.

Senator Nunez offered a substitute motion to consider Sections 22 and 24 of Article X together before the Subcommittee on Ad Valorem Taxation.

Senator De Blieux offered a substitute motion to defer action on industrial exemptions.
Senator Nunez asked that the staff be directed to compile a study on industrial exemptions, their effects, percentage factors of new industries moving into a parish, costs to parishes and the state, and criteria for granting the exemptions.

Mr. Slay asked that before action was taken on the matter the representatives of Commerce and Industry again be invited to inform the subcommittee on their views.

Mr. Newton asked that the subcommittee and the Committee of the Whole consider allowing the legislature to authorize industrial exemptions, removing them from the constitution.

The question on Senator De Blieux's substitute motion was called, and without objection carried.

Senator De Blieux moved that Article XIV, Section 24.1, regarding the prohibition of municipalities from taking gasoline, be deleted and that the staff be directed to so draft a proposal.

Senator De Blieux moved that Article XIV, Section 24.1, regarding the prohibition of municipalities from taking gasoline, be deleted and that the staff be directed to so draft a proposal.

Senator Rayburn, and Messrs. Love and Newton objected.

On a roll call vote, the motion carried eight to three:

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Mr. Triche reported that the business scheduled for the day was completed, and that at the next subcommittee meeting the members would consider proposals on these matters as drafted by the staff. A motion to adjourn the subcommittee meeting was offered by Mr. Slay and carried without objection.

At 10:55 a.m., Senator Rayburn again assumed the chair and the committee was called to order. The chairman asked for a digest of the proposals to be written and supplied to the committee, and suggested that at the next meeting these be considered. Mr. Mire reported that the Subcommittee on Public Finance was to meet Thursday, May 10, 1973 to consider the proposals within its purview.

The Subcommittee on Revenues decided to also meet on Thursday, May 10, 1973, to consider such proposals that are drafted at that time.

Mr. Triche moved that the chairman be directed by the committee to meet with Mrs. Duncan and ask for additional staff assignments for the committee, and that the research staff presently assigned to the committee work exclusively on the committee and subcommittee proposals. Without objection, the motion carried.

Senator De Blieux asked for retroactive leave of absence for the meetings of April 13 and April 14, 1973. Without objection, leave was granted.

Mr. Love asked that the minutes of the Subcommittee on Public Finance of April 6, 1973, show that he had requested leave of the subcommittee, and that the minutes of the April 13-14, 1973 committee meeting in New Orleans be corrected in a like manner. Without objection, the requests were granted.

Following discussion of matters previously discussed in the meeting, the chairman suggested that the staff mail the drafted proposals--if completed before the May 11, 1973 meeting date--to the members of both the committee and its subcommittees.

Without objection, the meeting was adjourned at 11:40 a.m.

Hisley C. Triche, Chairman of Subcommittee on Revenues

NEWS RELEASE BY THE LOUISIANA ASSESSORS' ASSOCIATION

At a meeting of the Louisiana Assessors' Association held Wednesday, April 24th, the assessors approved a plan recommended by its Legal and Legislative Committees to provide reformed legislation and appropriate constitutional amendments for implementation of this plan. After considering this proposal point by point 80% of the assessors in attendance voted favorably for its adoption.

Meeting with these committees and the association was Mr. Camille Craval, recently retained by the association as its legal council. Mr. Gordon Johnson, Chairman of the Louisiana Tax Commission and Mr. Bob Brouard, a member of the commission also attended these meetings and worked with the group toward arriving at the plan ultimately adopted by the Assessors' Association.

The following is the proposal approved by the Louisiana Assessors' Association for presentation to the Constitutional Convention and the Legislature:

"Proposed classification and per centage to be used for assessing property other than that which is expressly exempt by the Constitution.
Page 2 - News Release - Louisiana Assessors' Association

(2) Request three years to implement the above program and a Legislative Appropriation to fund same.

(3) The Assessor of each parish will have the authority to set values on all properties in his parish except Public Service Properties. Each Assessor will establish an acceptable appraisal practice in his parish meeting the requirements of the law in determining fair market value.

The assessed value, using the above percentages, will be placed on the tax rolls instead of market value, thereby eliminating the 100% of value concept being put on the tax rolls."

After implementation of this plan, the practices and values established by the assessors will be subject to the review and approval of the Louisiana Tax Commission.

It is the opinion of the majority of Louisiana Assessors that this proposal, when implemented, will protect the property owners of Louisiana from possible confiscatory taxes which could be levied upon them by the recent court decision.

GOVERNOR'S REVENUE SHARING COMMITTEE

As members of the Government Revenue Sharing Committee we must disagree with the majority report as submitted to you.

We feel that the recommendation contained in the majority report are not the proper solutions as the factors used are not consistent with the original intent of the people of this state when, by their consent, a change in the Constitution was initiated.

We feel that if the people had known that the homestead factor would only be a 20% determination they would have defeated same at the polls.

To really understand the complexities of this problem, we must retrace back to the original intent and purpose of the Property Tax Relief Fund. When the people agree to tax themselves on income with the expressed purpose of distributing the burden of taxation of this state, it was their intention that these moneys would be used solely for that purpose.

Again when the same proposition was submitted to the people in 1972 they agreed to abandon the Property Tax Relief Fund in lieu of a Revenue Sharing Fund but always with the expressed purpose that this would not in any way interfere or jeopardize their homestead exemptions.

For the above reasons, it is incomprehensive to us to use population as a factor to arrive at a solution to this problem. The courts did not declare that the Property Tax Relief Fund was unconstitutional. It did declare that the method of distribution was unconstitutional. Therefore, we feel that we should address ourselves strictly to the distribution aspect in this matter in lieu of trying to tell the legislative how to use the excess generated by the income tax, a portion of the beverage tax and a portion of the public utility tax.

It is therefore our sincere opinion that these moneys should be distributed on a homestead exemption basis only. According to the attached chart you can see and compare with what this would mean to each Parish in the state based on homeowners only in lieu of Act 77 of 1972.

We further contend that the distribution should be made by the Parish Tax Collector involved prorated according to the mileage rates as levied in these particularly parishes. This method would tend to create a more realistic and sound financial solution so as to enable the local tax recipients to plan a more orderly building and service programs.

The Parish Tax Collector prior to the above distribution mentioned would deduct his fees and other fees that are deductible from property tax collection.

We have thoroughly enjoyed the opportunity to serve on this committee and all recommendations as attached are the results of many weeks of careful consideration, research and study of methods of distribution of the State Revenue Sharing Fund.

We serve at your pleasure and hope our efforts will be a small contribution in your endeavor to lead the legislature in the most equitable solution to a very grave problem. We must be ever mindful that the average homeowner in this state cannot afford to pay more taxes or if at all possible we should see that he pays very little, if any, taxes to reside in his own home which constitutes a non-income deriving property.

Very Truly Yours

F.M. BOUDELAUX, PRES.
REVENUE SHARING COMMITTEE

RICHARD BOUDELAUX, VICE-PRES.
REVENUE SHARING COMMITTEE

NOTES

Research Inst. of America, Item 53, referred to in the Minutes is not found in the files of the Committee.

MINUTES

Minutes of the Committee on Revenue, Finance and Taxation of the Constitutional Convention of 1973

Held pursuant to notice mailed by the Secretary of the Convention on May 3, 1973

State Capitol, Committee Room 9

Baton Rouge, Louisiana

Friday, May 11, 1973, 10:00 a.m.

Presiding: B. B. Rayburn, Chairman of the Committee on Revenue, Finance and Taxation

Present: B. B. Rayburn

John Alario

Charles Badeaux

James Brown

Walter Champagne

Absent: None
The chairman called the meeting to order and the secretary called the roll.

Mr. J. S. Brendier, general manager, Cities Service Company in Lake Charles, was introduced. A copy of Mr. Brendier's presentation is attached hereto and made a part of these minutes. Considerable discussion ensued concerning Mr. Brendier's recommendations.

Mr. Gene Cretini representing the Department of Commerce and Industry requested to be recognized. He explained the department's policy on replacement items, and heeded to several questions by members of the committee.

Chairman Rayburn introduced Mr. Ed Stagg, executive director of the Council for a Better Louisiana. Mr. Stagg was representing Mr. A. J. Waechter, chairman, Committee on Revenue, Finance and Taxation of the Council for a Better Louisiana. He presented recommendations concerning property tax to the members of the committee, and discussion of these recommendations followed. A copy of Mr. Waechter's recommendations is attached and made a part of these minutes.

The committee recessed for lunch at 12:00 noon.

The chairman called the meeting to order at 1:30 p.m., and asked if there was anyone wishing to be heard concerning the ten-year tax exemption. After discussion, Mr. Newton offered a motion not to hear any other testimony, and the chairman called for a roll call vote:

Yeas: Badeaux McDaniel Newton Schmitt Slay Smith Triche
Nays: Alario Brown Conroy De Bleux Edwards Fontenot Mauberret Mire Nunes Planchard Roemer Winchester

There being eleven nays and seven yeas, the motion failed. It was decided to invite Mr. Charles Smith of the Department of Commerce and Industry to appear before the committee in the morning.

Representative Conway DeBleux was recognized. He asked the committee to increase the limitations on severance tax reimbursement to the parishes from $200,000 to $400,000 (applies only to oil, gas, etc.).

Chairman Rayburn excused himself to attend another meeting, and Vice Chairman Edwards took charge.

Mr. Smith offered a motion to approve the minutes of March sixteenth and seventeenth, March thirtieth and thirty-first, April thirteenth and fourteenth, and April twentieth-seventh and twenty-eighth. Hearing no objections, Vice Chairman Edwards so ordered.

Mr. Mire offered a motion to approve the subcommittee's minutes. Hearing no objections, the vice chairman so ordered.

Mr. Triche gave a report of the Subcommittee on Revenue Other Than Property Tax. During this report, he stated that the subcommittee was divided on the question of the $3 automobile tax presently in the constitution. Mr. Smith offered a motion to delete Article VI, Section 22 from the constitution.

However, after discussion, Mr. Slay offered a substitute motion to leave the $3 license tax in the constitution. A roll call vote was taken on the substitute motion.

Yeas: Alario Badeaux Chehardy Fontenot Mauberret Nunes
Nays: Champagne Conroy De Bleux Low Mire McDaniel Mire

There being nine yeas and eleven nays, the substitute motion failed.

A roll call vote was taken on the original motion by Mr. Smith:

Yeas: Brown Champagne Conroy De Bleux Low Mire McDaniel Mire Newton Roemer Smith Triche
Nays: Alario Badeaux Chehardy Fontenot Mauberret Nunes Planchard Winchester

There being twelve yeas and eight nays, the motion passed.

The meeting recessed at 4:00 p.m.

The meeting reconvened Saturday morning, May 12, 1973, at 10:15 a.m. in committee room 9 of the State Capitol.

Presiding: B.B. Rayburn, Chairman of the Committee on Revenue, Finance and Taxation


Absent: James Brown Lawrence Chehardy Frank Edwards Risley Triche
Upon roll call and a quorum established, Mr. Alario moved for reconsideration of the committee’s action of the previous day with respect to the three-dollar license plate tax. Mr. Smith offered a substitute motion that reconsideration of the matter be deferred until some of the other members of the committee arrived and until after the person scheduled to appear before the committee from the Department of Commerce and Industry had been heard. The substitute motion failed and the chairman placed the matter before the committee for discussion. After an extended discussion in which the committee explored the aspects of proposing that this matter, Article VI, Section 22, be left in the constitution without change, of removing it from the constitution, of submitting it to the people for vote, and various other alternatives, Mr. Badeaux offered a motion that the chairman set a specific date, being the next regular meeting on Friday or Saturday, on which this committee will vote on this matter and that it be so stated in the agenda on the notice of meeting. Mr. Smith offered a substitute motion that a vote be taken at this meeting. The substitute motion failed and Mr. Badeaux’ motion was adopted.

Senator Rayburn introduced Mr. Gene Cretini of the Department of Commerce and Industry who was appearing before the committee to present information pertaining to industrial tax exemptions. Materials distributed by Mr. Cretini to aid in his presentation are attached hereto and made a part of these minutes as Attachments No. 1, 2, 3, and 4. Questions were asked by the committee members as to procedure followed in granting industrial tax exemptions, length of time for which such exemptions are granted, circumstances under which an extension of original period of exemption may be obtained, under what authority the Department of Commerce and Industry acts in granting these exemptions, and numerous queries with respect to the facts and figures contained in the above-mentioned attachments. The committee requested a copy of the rules and regulations under which the department operates and Mr. Cretini agreed to comply with the request.

In discussion after the hearing, the committee requested the research staff to furnish information as to how industrial tax exemptions are granted in other states. The committee also requested the research staff to determine if industrial tax exemptions could be provided for in the statutes.

The meeting adjourned at 1:30 p.m.
exemption of 10 years. After 10 years the full annual property tax must
be paid for the remaining life of the plant.

To assist you in your evaluation of the Industrial Tax Exemption
Law, I would like to briefly review for you the workings of this law in
Calcasieu Parish.

In Calcasieu Parish, industrial property is assessed at 25 per-
cent of value while nonindustrial property is assessed at about 14.3 percent.
After allowing for Homestead Exemption, the effective assessment of
residential property in the 15,000 to 40,000 dollar range is about 6.7 percent.
Industrial property is, therefore, assessed at 4 times the effective residential
ratio for homes in the 15,000 to 40,000 dollar range. And homes valued at
less than 13,000 dollars generally enjoy a tax free status because of the
Homestead Exemption.

I now invite your attention to Table I. The tabulated information
was furnished by Mr. A. G. Kirkpatrick, the Tax Assessor for Calcasieu
Parish. The projected assessment of Big Industry in Ward 4 of Calcasieu
Parish is indicated as a sub-total. The tax exemption contracts which expire
after ten years make it possible to accurately project the industrial assessed
value for the next ten years. And the picture for Calcasieu Parish is very
comforting to the citizens of that parish in that it gives them assurance of
revenue more than ample to meet all anticipated needs. In the ten year period,
1972 to 1982, the industrial assessment in Ward 4 of Calcasieu Parish will
increase from 123.3 million to 216.7 million dollars. In this connection, it
is noted that there has been no time during the development of industry in
Calcasieu Parish when tax revenues were insufficient to meet all reasonable
requirements.

I would now appreciate your turning to Figure A. This graph
shows the assessed valuation of the 10 year tax exemption contracts which
will expire during the period 1973 to 1983 for manufacturing facilities con-
structed in Ward 4 of Calcasieu Parish during the period 1962 through 1972.

The information used to prepare this graph is taken from Table I. The
graph tells us that plant expansion in Calcasieu Parish was modest from
1962 through 1966, rapid from 1967 through 1971, and greatly reduced
during 1972. Industrial construction during 1973 will fall below the 1972
level and very little is on the boards for 1974.

Calcasieu Parish has one of the highest unemployment rates in
the State. Unemployment in the building trades in Calcasieu Parish exceeds
40 percent.

The industrial community in Calcasieu Parish obviously needs a
great deal of encouragement at this time. This can be provided only by
construction resulting from continued industrial expansion in the area.

Economic evaluations of new plants and plant expansions are
based on the present worth of money as measured by Profitability Index.
Cash produced during the early years of plant life has a more pronounced
effect on Profitability Index than cash generated in later years. The tax
exemption during the first ten years of operation has enabled our Lake
Charles Complex to compete successfully for corporate funds to build new
plants and to expand existing plants. If this competitive factor is reduced,
we would be forced into a position of serious disadvantage with competing
industries in adjoining states.

I am sure you know that modern refineries and petrochemical
plants employ large pieces of sophisticated equipment arranged sequentially
in single trains -- much like the links of a continuous chain. Failure of
a single large machine may shut down the entire plant. For this reason,
heavy and prolonged startup costs are frequently associated with such
plants. The Industrial Tax Exemption is an important offset to such start-
up costs and its preservation is necessary to assure continued expansion
of our facilities.

Less than 10 years ago, Cities Service operated four refineries
in the United States. Today we operate only one -- our plant at Lake Charles.
In fact our East Chicago, Indiana refinery was shut down less than 6 months
ago. High taxes, uneconomical plant size and obsolescence were important
considerations in the shutdown decisions. Our Lake Charles Complex has
remained competitive only because, over the years, we have been able to
justify substantial expansion and the replacement of obsolete equipment,
due largely to the continued tax exemption.

As you know, our basic plant at Lake Charles is almost 30 years
old. Elimination of the Industrial Tax Exemption Law would make it
increasingly difficult to justify the continued expansions and replacements
which will be required to maintain the competitive position of our Lake Charles
Complex.

Big industry bears over 50 percent of the property tax burden
in Calcasieu Parish. Demands for additional tax dollars to provide com-

[331]
### TABLE 1

**PROJECTED ASSESSMENT - CALCASIEU PARISH**

(Million Dollars)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
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<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
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<td>72.9</td>
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<td>84.6</td>
<td>86.1</td>
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<td>18.4</td>
<td>18.4</td>
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<td>21.0</td>
<td>29.8</td>
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<td>31.8</td>
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<td>3.8</td>
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<td>W. R. Grace</td>
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<td>2.2</td>
<td>2.2</td>
<td>2.2</td>
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<td>2.5</td>
<td>2.8</td>
<td>2.9</td>
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<td>3.2</td>
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<td>Hercules</td>
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<td>8.0</td>
<td>8.2</td>
<td>8.4</td>
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<td>9.7</td>
<td>9.7</td>
<td>18.2</td>
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<td>3.6</td>
<td>3.7</td>
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<td>4.5</td>
<td>4.5</td>
<td>4.6</td>
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<td>PPG</td>
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<td>7.3</td>
<td>7.6</td>
<td>7.7</td>
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<tr>
<td>Other</td>
<td>2.3</td>
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<td>2.5</td>
<td>3.3</td>
<td>3.3</td>
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<td>3.8</td>
<td>4.1</td>
<td>4.1</td>
<td></td>
<td></td>
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<tr>
<td><strong>Sub-Total</strong></td>
<td>123.3</td>
<td>127.4</td>
<td>130.8</td>
<td>132.2</td>
<td>135.3</td>
<td>138.4</td>
<td>146.8</td>
<td>165.5</td>
<td>180.7</td>
<td>199.4</td>
<td>216.7</td>
<td>219.2</td>
</tr>
<tr>
<td><strong>Total Parish</strong></td>
<td>292.8</td>
<td>300.0</td>
<td>305.0</td>
<td>308.5</td>
<td>313.5</td>
<td>321.0</td>
<td>331.0</td>
<td>351.0</td>
<td>368.0</td>
<td>388.0</td>
<td>405.0</td>
<td>409.5</td>
</tr>
</tbody>
</table>

1-4-73
FIGURE A

ASSESSED VALUATION OF TEN YEAR TAX EXEMPTION CONTRACTS WHICH WILL EXPIRE DURING PERIOD 1973-1983

BIG INDUSTRY - WARD 4
CALCASIEU PARISH
May 11, 1973

Senator B. B. Fayburn, Chairman
Constitutional Convention Committee on
Revenue, Finance, and Taxation
Baton Rouge, Louisiana

Dear Senator Fayburn,

Attached are recommendations of the Council for A Better Louisiana for consideration by your Committee of the Convention on the matter of property tax.

This proposal would redefine the matter of valuing and assessing property to provide for equity in assessments and flexibility in legislative control of assessments.

We will be pleased to discuss these proposals at your convenience.

At a later date we will appreciate an opportunity to offer proposals on other aspects of the property tax.

Sincerely yours,

A. J. Wachtler, Chairman
Committee on Revenue, Finance, and Taxation of the Council for a Better Louisiana

Proposed Revision of Article X, Section 1
of the Louisiana Constitution of 1921

§ 1. Taxing power: specific taxes

Section 1. Vesting of power, restrictions, assessments and valuations.

The taxing power of the state shall be vested in the Legislature, shall never be surrendered, suspended or contracted away; and all taxes shall be uniform upon the same class of subjects throughout the territorial limits of the authority levying the tax, and shall be levied and collected for public purposes only. All taxable property shall be valued and placed on the assessment roles at current market value and assessed at a uniform rate in relation to value as determined by the Legislature. All taxpayers shall have the right of testing the correctness of their valuations before the courts of the domicile of the assessing authority, or as may be directed by law.

No taxing authority following any revaluation of property to achieve the requirements of this Article (Section) shall apply millage rates to such taxable property in an amount that will produce more revenue to the taxing authority than was produced from the whole of the property subject to that taxing authority in the preceding year, except from property not previously assessed. If the Legislature modifies the percentage of assessment so as to otherwise increase or decrease the revenue as applied to the property assessed in the preceding year, the taxing authority shall adjust the millage proportionally if the percentage of assessment is increased and may adjust the millage proportionately if the percentage of assessment is decreased. Provided, however, that the electors of any taxing authority may approve millage rates to produce higher revenue in an election called for that purpose according to law.

NOTES


STATE & LOCAL TAXES ON A HYPOTHETICAL CHEMICAL PLANT IN LOUISIANA UTILIZING NATURAL GAS AS A MAJOR RAW MATERIAL

Hypothetical Plant

<table>
<thead>
<tr>
<th>Capital Investment</th>
<th>$50,000,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land</td>
<td>$50,000</td>
</tr>
<tr>
<td>Employment</td>
<td>$350,000</td>
</tr>
<tr>
<td>Total annual payroll</td>
<td>$3,500,000</td>
</tr>
<tr>
<td>Annual product sales value</td>
<td>$35,000,000</td>
</tr>
<tr>
<td>Raw material purchased annually</td>
<td>$5,000,000</td>
</tr>
<tr>
<td>(Includes $7,500,000 for Natural Gas at $0.25/MCF)</td>
<td></td>
</tr>
<tr>
<td>Operating supplies purchased annually</td>
<td>$850,000</td>
</tr>
<tr>
<td>Utilities purchases (electricity) per year</td>
<td>$1,500,000</td>
</tr>
<tr>
<td>Average inventory levels</td>
<td></td>
</tr>
<tr>
<td>(a) Finished goods</td>
<td>$2,000,000</td>
</tr>
<tr>
<td>(b) Materials, supplies, etc.</td>
<td>$1,000,000</td>
</tr>
</tbody>
</table>

Tax Payments

<table>
<thead>
<tr>
<th>Organization fee</th>
<th>$1,000</th>
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<tbody>
<tr>
<td>Payroll taxes</td>
<td>$97,200</td>
</tr>
<tr>
<td>Sales tax @ 5%</td>
<td>$500,000</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>$580,200</td>
</tr>
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</table>

Assuming a two (2) year construction period the total state and local taxes paid would be $1,196,400.

Upon completion of the plant, the following state and local taxes would be paid for the first 10 years, assuming a 10-year tax exemption.

<table>
<thead>
<tr>
<th>Ad Valorem</th>
<th>$148,500</th>
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</thead>
<tbody>
<tr>
<td>Payroll tax</td>
<td>$28,250</td>
</tr>
<tr>
<td>Sales tax</td>
<td>$29,000</td>
</tr>
<tr>
<td>Power use tax</td>
<td>$15,000</td>
</tr>
<tr>
<td>Franchise tax</td>
<td>$75,000</td>
</tr>
<tr>
<td>Income Tax</td>
<td>$459,000</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>$761,500</td>
</tr>
</tbody>
</table>

After expiration of the 10-year industrial exemption, an additional $742,500 in taxes would be due.

In summary, the hypothetical chemical installation in Louisiana would pay the following state and local taxes on an annual basis:

<table>
<thead>
<tr>
<th>During construction</th>
<th>$599,200</th>
</tr>
</thead>
<tbody>
<tr>
<td>During operation for first 10 years</td>
<td>$781,850</td>
</tr>
<tr>
<td>During operation after 10 years</td>
<td>$1,524,300</td>
</tr>
</tbody>
</table>

The details used in computing the taxes paid are as follows:

Annual Taxes

<table>
<thead>
<tr>
<th>Ad Valorem Taxes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment - $5,000,000 non exempt @ 30% @ 5%/1000</td>
</tr>
<tr>
<td>$45,000,000 exempt @ 30% @ 5%/1000</td>
</tr>
<tr>
<td>Average finished goods - $2,000,000 assessment @ 40% @ 5%/1000</td>
</tr>
<tr>
<td>R/H, Supplies, etc. - $1,000,000 assessment @ 40% @ 5%/1000</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
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</table>

ATTACHMENT NO. 2

-2-
<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
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<tbody>
<tr>
<td>Payroll/Year</td>
<td>$3,500,000</td>
</tr>
<tr>
<td>350 Employees</td>
<td>$3,500,000</td>
</tr>
<tr>
<td>$500,000 @ 5%</td>
<td>$25,000</td>
</tr>
<tr>
<td>$500,000 - Maintenance Materials and Operating Supplies</td>
<td>$25,000</td>
</tr>
<tr>
<td>$500,000 @ 5%</td>
<td>$25,000</td>
</tr>
<tr>
<td>$500,000 - Maintenance Materials and Operating Supplies</td>
<td>$25,000</td>
</tr>
<tr>
<td>Taxable amount ($1,050,000 @ 2.7%)</td>
<td>$28,350</td>
</tr>
<tr>
<td>Net Profit $12,250,000 @ 4%</td>
<td>$490,000</td>
</tr>
<tr>
<td>Less Selling Expense</td>
<td>$1,750,000</td>
</tr>
<tr>
<td>5% of Sales</td>
<td>$1,750,000</td>
</tr>
<tr>
<td>Sales $35,000,000</td>
<td>$35,000</td>
</tr>
<tr>
<td>Less Cost of Sales</td>
<td>$21,000,000</td>
</tr>
<tr>
<td>Profit $14,000,000</td>
<td>$14,000,000</td>
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<tr>
<td>Parish</td>
<td>Estimated Assessment %</td>
</tr>
<tr>
<td>-------------</td>
<td>------------------------</td>
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<tr>
<td>Acadia</td>
<td>16</td>
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<tr>
<td>Allen</td>
<td>20</td>
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<tr>
<td>Ascension</td>
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<td>Assumption</td>
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<td>A voyelles</td>
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<tr>
<td>Beauregard</td>
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<tr>
<td>Bienvenue</td>
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<tr>
<td>Bossier</td>
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<tr>
<td>Caddo</td>
<td>30</td>
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<tr>
<td>Calcasieu</td>
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<tr>
<td>Caldwell</td>
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<tr>
<td>Cameron</td>
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<tr>
<td>Catahoula</td>
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</tr>
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<td>Claiborne</td>
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</tr>
<tr>
<td>Concordia</td>
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<tr>
<td>DeSoto</td>
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</tr>
<tr>
<td>East Baton Rouge</td>
<td>30</td>
</tr>
<tr>
<td>East Carroll</td>
<td>12</td>
</tr>
<tr>
<td>East Feliciana</td>
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</tr>
<tr>
<td>Evangeline</td>
<td>25</td>
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<tr>
<td>Franklin</td>
<td>18</td>
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<tr>
<td>Grant</td>
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<tr>
<td>Iberia</td>
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<td>Iberville</td>
<td>15</td>
</tr>
<tr>
<td>Jackson</td>
<td>15</td>
</tr>
<tr>
<td>Jefferson</td>
<td>25</td>
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<tr>
<td>Jefferson Davis</td>
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<tr>
<td>Parish</td>
<td>Estimated Assessment %</td>
</tr>
<tr>
<td>-------------------</td>
<td>-------------------------</td>
</tr>
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<td>Orleans</td>
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<td>Ouachita</td>
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<td>Plaquemines</td>
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<tr>
<td>Pointe Coupee</td>
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<td>Rapides</td>
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<td>Red River</td>
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<td>Richland</td>
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<tr>
<td>Sabine</td>
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<tr>
<td>St. Bernard</td>
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<tr>
<td>St. Charles</td>
<td>12.5</td>
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<tr>
<td>St. Helena</td>
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<tr>
<td>St. James</td>
<td>11</td>
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<tr>
<td>St. John the Baptist</td>
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<td>St. Landry</td>
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<td>St. Martin</td>
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<td>St. Mary</td>
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<td>St. Tammany</td>
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<td>Tangipahoa</td>
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<td>Terrebonne</td>
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<tr>
<td>Union</td>
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<tr>
<td>Vermilion</td>
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### ESTIMATED AD VALOREM TAXES—WAIVED AND DIRECT PAYROLLS GENERATED AS A RESULT OF THE INDUSTRIAL TAX EXEMPTION PROGRAM (1963-72)

(Continued--Page 3)

<table>
<thead>
<tr>
<th>Parish</th>
<th>Estimated Assessment %</th>
<th>Approximate Average Millage</th>
<th>Investment Exempted from Ad Valorem Taxes</th>
<th>Estimated Annual Taxes Waived</th>
<th>Permanent Jobs Created (by these investments)</th>
<th>Estimated Annual Payroll Created (by these investments)</th>
<th>Construction Jobs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vernon</td>
<td>25</td>
<td>66.05</td>
<td>$ 739,000</td>
<td>12,203</td>
<td>450</td>
<td>$ 1,988,298</td>
<td>1,800</td>
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<tr>
<td>Washington</td>
<td>25</td>
<td>45.55</td>
<td>39,223,000</td>
<td>446,652</td>
<td>54</td>
<td>473,569</td>
<td>1,910</td>
</tr>
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<td>Webster</td>
<td>20</td>
<td>43.25</td>
<td>25,824,000</td>
<td>223,378</td>
<td>773</td>
<td>5,927,704</td>
<td>962</td>
</tr>
<tr>
<td>West Baton Rouge</td>
<td>25</td>
<td>42.55</td>
<td>21,404,000</td>
<td>227,685</td>
<td>225</td>
<td>1,506,375</td>
<td>770</td>
</tr>
<tr>
<td>West Carroll</td>
<td>25</td>
<td>48.25</td>
<td>93,000</td>
<td>1,122</td>
<td>310</td>
<td>1,178,050</td>
<td>None</td>
</tr>
<tr>
<td>West Feliciana</td>
<td>22</td>
<td>25.55</td>
<td>100,022,000</td>
<td>562,224</td>
<td>644</td>
<td>4,349,421</td>
<td>1,748</td>
</tr>
<tr>
<td>Winn</td>
<td>20</td>
<td>50.35</td>
<td>14,739,000</td>
<td>148,363</td>
<td>755</td>
<td>4,568,294</td>
<td>598</td>
</tr>
</tbody>
</table>

**STATE TOTAL (10 yrs.)**

<table>
<thead>
<tr>
<th>Estimated Average Millage</th>
<th>Investment Exempted from Ad Valorem Taxes</th>
<th>Estimated Annual Taxes Waived</th>
<th>Permanent Jobs Created (by these investments)</th>
<th>Estimated Annual Payroll Created (by these investments)</th>
<th>Construction Jobs</th>
</tr>
</thead>
<tbody>
<tr>
<td>$3,993,768,000</td>
<td>$41,773,233</td>
<td>$476,869,568</td>
<td>58,158</td>
<td>138,705</td>
<td></td>
</tr>
</tbody>
</table>

**STATE TOTAL (1972)**

<table>
<thead>
<tr>
<th>Estimated Average Millage</th>
<th>Investment Exempted from Ad Valorem Taxes</th>
<th>Estimated Annual Taxes Waived</th>
<th>Permanent Jobs Created (by these investments)</th>
<th>Estimated Annual Payroll Created (by these investments)</th>
<th>Construction Jobs</th>
</tr>
</thead>
<tbody>
<tr>
<td>20.7%</td>
<td>50.00 Mills</td>
<td>148,363</td>
<td>755</td>
<td>4,568,294</td>
<td></td>
</tr>
</tbody>
</table>

1As of December 31, 1972

2No recent experience on which to base estimate
### Industrial Investment & Commerce & Industry Expenditures 1963-1972

<table>
<thead>
<tr>
<th>YEAR</th>
<th>C &amp; I BUDGET</th>
<th>INVESTMENT</th>
<th>NEW JOBS</th>
<th>EST. AVE. NEW PAYROLLS FOR 10 YEARS**</th>
<th>EST. NEW COAST PAYROLL***</th>
<th>EST. STATE SALES &amp; USE TAXES ON NEW EXPEND.***</th>
</tr>
</thead>
<tbody>
<tr>
<td>1963 (64)</td>
<td>$ 411,196</td>
<td>$ 246,216,750</td>
<td>3,080</td>
<td>$ 256,594,800</td>
<td>$ 99,415,700</td>
<td>$ 4,014,121</td>
</tr>
<tr>
<td>1964 (65)</td>
<td>$ 423,160</td>
<td>$ 311,661,268</td>
<td>5,469</td>
<td>$ 455,622,390</td>
<td>$ 124,634,520</td>
<td>$ 4,717,411</td>
</tr>
<tr>
<td>1965 (66)</td>
<td>$ 483,620</td>
<td>$ 489,628,257</td>
<td>6,699</td>
<td>$ 557,893,650</td>
<td>$ 195,851,320</td>
<td>$ 6,122,312</td>
</tr>
<tr>
<td>1966 (67)</td>
<td>$ 718,182</td>
<td>$ 501,771,551</td>
<td>11,735</td>
<td>$ 977,642,650</td>
<td>$ 200,793,920</td>
<td>$ 8,590,211</td>
</tr>
<tr>
<td>1967 (68)</td>
<td>$ 747,298</td>
<td>$ 718,483,706</td>
<td>10,580</td>
<td>$ 881,419,800</td>
<td>$ 237,222,750</td>
<td>$ 8,621,125</td>
</tr>
<tr>
<td>1968 (69)</td>
<td>$ 745,225</td>
<td>$ 624,252,625</td>
<td>8,464</td>
<td>$ 705,135,586</td>
<td>$ 249,701,043</td>
<td>$ 7,422,105</td>
</tr>
<tr>
<td>1969 (70)</td>
<td>$ 690,539</td>
<td>$ 579,263,687</td>
<td>10,748</td>
<td>$ 895,415,880</td>
<td>$ 231,703,472</td>
<td>$ 9,035,005</td>
</tr>
<tr>
<td>1970 (71)</td>
<td>$ 795,149*</td>
<td>$ 579,263,687</td>
<td>10,356</td>
<td>$ 863,758,360</td>
<td>$ 184,333,088</td>
<td>$ 7,854,184</td>
</tr>
<tr>
<td>1971 (72)</td>
<td>$ 637,322*</td>
<td>$ 670,437,637</td>
<td>8,044</td>
<td>$ 670,145,640</td>
<td>$ 208,174,072</td>
<td>$ 12,037,003</td>
</tr>
<tr>
<td>1972 (73)</td>
<td>$ 788,948*</td>
<td>$ 1,682,112,672</td>
<td>7,697</td>
<td>$ 641,237,070</td>
<td>$ 752,847,003</td>
<td>$ 93,878,003</td>
</tr>
</tbody>
</table>

** Totals **

- **C & I BUDGET AS % OF NEW INV.**
  - 1963 (64) 16/100 of 1%
  - 1964 (65) 13/100 of 1%
  - 1965 (66) 9/100 of 1%
  - 1966 (67) 14/100 of 1%
  - 1967 (68) 10/100 of 1%
  - 1968 (69) 11/100 of 1%
  - 1969 (70) 11/100 of 1%
  - 1970 (71) 10/100 of 1%
  - 1971 (72) 12/100 of 1%
  - 1972 (73) 4/100 of 1%

- **1963-72 Ave. 10/100 of 1%

* Actual operating funds (does not include E.D.D. grants)

** Based on November, 1972 average wage of $160.21 per week ($3,132 a year

*** Based on 40 percent of total investment

**** Sales tax increased to 3½% in mid-year
Minutes of the meeting of the Committee on Revenue, Finance and Taxation of the Constitutional Convention of 1973

Held, pursuant to notice mailed by the Secretary of the Convention on June 4, 1973
Room 206, State Capitol Building
Baton Rouge, Louisiana
Friday, June 8, 1973, 10:00 a.m.

Presiding: Frank M. Edwards, Jr., Vice-Chairman of the Committee on Revenue, Finance and Taxation.

Present: Charles A. Badeaux
Walter J. Champagne, Jr.
Lawrence Chehارد
David Conroy
John Clyde Fontenot
Herman "Monday" Lowe
Dr. Claude Maupheret, Jr.
Pegram Hino
Aldley B. Newton
A.J. Flanchard
Charles Play
Jasper K. Smith
F.D. Winchester

Sen. J. D. De Blieux
P.A. McDaniel
Sen. Samuel B. Hunt, Jr.
Sen. B.B. Rayburn
Charles E. Roomer, III
Earl J. Schmitt, Jr.
Rep. Risley C. Triche

After the call to order and a quorum of members present, Chairman Edwards introduced Lawrence B. Edlin, Manager-ad valorem taxes, L & N Railroad, of Louisville, Kentucky who spoke to the committee about ad valorem taxes on railroad property. A question and answer period followed including a discussion of what effect recent changes in the Kentucky property tax system have had on the people.

Mr. Fontenot then moved that the committee recess for lunch till 1:30 p.m. at which time they went into subcommittees and met.

CHAIRMAN
VICE CHAIRMAN
SECRETARY

Property ought not to be so classified that different owners will be taxed differently on the same property.

Property tax is our oldest and best tax. It taxes wealth in its most obvious and permanent form. All property of equal value should contribute equally to the cost of government.

If, because of the nature of certain property, there is difficulty in finding it for taxing, then it may be proper to set up a separate method of assessing. Georgia, for instance, assesses all automobiles at values similar to "Blue Book" schedules and collects the ad valorem tax when it sells the annual license tag. Other states require separate returns of intangible property, and some tax it at rates different from tangible property, but the same to all owners.

In order to raise the tremendous amounts of revenue now called for by the many expensive functions performed by state and local governments, states are already taxing nearly every form of property and nearly every flow of money. Local governments in all states still rely heavily on tangible property taxation, and state governments themselves collect large amounts in net or gross income taxes and in sales and use taxes, besides a myriad of other less important and less productive levies. All of these taxes better serve their purpose when they are kept as general as possible.

Income taxes are best when they reach income from art sources being received by both persons and corporations. Sales and use taxes are best when they tax all sales and recognize few exceptions. In like manner property taxes are best when they reach all property in everybody's ownership and are taxed at uniform rates.

These separate forms of taxation are classification enough, and legislatures adjust them from time to time in an effort to keep a proper balance among the kinds of taxation which shall be used to finance governmental functions.

The property tax is best administered when it covers the broadest possible base. If a multitude of exceptions is allowed, and there are many complications in the exemptions, then the administration of the property tax becomes very complex and the base of the property tax becomes so restricted that tax rates must be unreasonably high on the property which remains taxable. All property ought to bear its share of the ad valorem tax burden. If there are no exceptions made and assessments are diligently maintained on the basis of current fair market value, then the assessment base will be so large and the tax rate will be so low that hardship cases will be insignificant, and certainly there will be no hardship class of property which needs to have concessions made for it.

During the depression of the nineteen-thirties a few states sought to relieve homeowners from tax sales by setting up homestead exemptions. The stringent exemption law no longer exists, but some of the exemptions do. Certainly
these exceptions ought not to be extended.

Probably the greatest hope for the economic future of Louisiana is continued economic growth, in the form of continued new industrial and business development being made in this state not only by Louisiana companies using Louisiana capital but also by nationwide companies using capital from all over the United States. The railroads, the public utilities, your state government, and every Chamber of Commerce in Louisiana, spend great amounts of promotional energy soliciting this new development, against heavy competition from other states.

Most businesses have many options as to where to locate new plants, and certainly the fairness and stability of the property tax situation is one of the characteristics which these industrial expansionists have in mind. When those people see discriminatory situations in a state certainly they will examine them very critically, and give consideration to other locations where there is no discrimination but where the fairness of their tax treatment is buttressed by having identical treatment afforded all property. If having a fair, progressive and equal system of taxation in Louisiana will expand the economy of Louisiana by some substantial percentage per year, then all of Louisiana is benefited, and the railroads are benefited in proportion. A healthy expansion of the economy of a state and a healthy expansion of transportation business is much more important to railroads than the saving of taxes involved in changing from the systems now being proposed to a fully equalized system. The principal factor involved is establishing a climate of taxation which will encourage new investments and expansion of all business in the state.

II

Public utility property ought not to be separately taxed at higher rates.

These properties are assessed directly by the Louisiana Tax Commission, on appraisals which are re-examined every year. There is a minimum of administrative cost involved in developing these assessments which are some 20% of the total tax roles.

Higher taxation of public utilities is not justified by governmental services required. Public utility companies furnish much of their own fire and police protection, and the nature of the properties are usually such as do not require great governmental attention.

III

Railroad property ought not to be separately assessed for taxation at higher rates.

Although railroads as recently as 50 years ago enjoyed almost complete monopoly in the transportation field, that is no longer so. Although as late as 1944 railroads still hauled over two-thirds (68.6%) of intercity freight, by 1970 their share was down to less than 40% (39.8) of the total ton-miles hauled. If ever there had been a special value attached to the ownership and operation of a railroad which ought to be specially taxed, that no longer true. Railroads have to compete intensely for every ton of freight they haul and for every mile of revenue, including railroad taxes, with large lines on waterways and with trucks on the freeways which were built with tax money, including railroad taxes, with large lines on waterways opened by costly engineering feats for the general tax revenues, including railroad taxes, and with airlines operating from government owned airports. Even if railroads did have a monopoly a hundred years ago, and even if that monopoly had a value which ought to have been taxed, it should have been taxed as a franchise, and all railroads' tangible property should have been taxed the same as all other property.

Inherent in the monopoly idea was the thought that the special position of railroads gave them clearer opportunities for high profits. Whether that was ever true or not, certainly it is not true today. Railroads generally do not earn more than 3% on their net worth, and earn only about 1% on depreciated cost. With few exceptions, railroads are no today money makers. They do not have the money to pay extra taxes.

Another consideration which once was thought to justify special treatment, regulation, and taxation was the railroads' power of eminent domain. No doubt that power had considerable value up to the turn of the century when their greatest expansion occurred. The railroads now desire the opposite power, i.e., the power to get rid of lines which they no longer need, which are no longer profitable, and which no longer serve a real public purpose.

Along their main lines, railroads still haul towards us amounts of freight, almost 40% of the total carried in this country. The railroads carry this freight at an economy of la

of power, and of disturbance to the environment in the way of air and other pollution. It is in the interest of the nation, of every state, and of every individual to have a strong system of railroad transportation. It is contrary to this interest to single railroads out for taxation of any kind which discriminate against them.

The property tax situation of railroads has been a matter of public concern for a long time. In 1861 a special study group of the Committee of Commerce of the United States Senate stated in its report that railroads were being disincentivized
against as compared to other property taxpayers in the same jurisdiction. Not only do railroads pay taxes on their right-of-way, an expense not shared by trucks, barge lines and airline companies, but also many states tax these right-of-way and other properties at a higher rate than they tax other property. This study group recommended certain steps which would have relieved the usual burden on railroad property. In recent years both the United States Senate and House have considered legislation which would make it a matter of fact that railroad property not be taxed higher than other property in the jurisdiction. The fact that several substantial railroads are in deep financial trouble at this time is testimony to the harm which excessive tax burdens can cause. We ask not to be subjected to excessive ad valorem tax burdens in Louisiana.

IV

Louisiana railroad assessments are approximately 25% of market value.

-7-

A principal concern to the railroads is a statement, issued by a group of Louisiana assessors, that railroad property is assessed at 42% of value. Perhaps that figure was intended to cover only some particular piece of property, but to the extent that it might be interpreted as the level of Louisiana railroad property in the aggregate, or even the property of any one road, it is erroneous.

The error can be easily seen by a simple mathematical computation. There are 3,753 miles of main and branch line track in Louisiana and using a $10,000 per mile average assessment, and assuming a 42% level of assessment, the full value would be over $1.3 billion, or equal to the entire computed full value of railroad property in the States of Arkansas, Mississippi and Texas spread over 20,799 miles of track. The $1.5 billion Louisiana figure would not include any side, switching or yard tracks, nor any buildings or rolling stock.

The States of Connecticut, Delaware, Minnesota and Pennsylvania exempt either part or all of railroad property or impose a tax on railroads in lieu of property tax. Of the remaining 43 states - Louisiana being excluded - 36 assess railroads at the state level and 7 assess at the local level. There is no common formula or method, but all give consideration to one or more of the common approaches to value: cost, income and market. The market approach is reflected by the current value of railroad capital stock and indebtedness.

Cost of railroad property, whether original, replacement or reproduction, has little validity today as an indicator of
dc of current market value, unless it is debased to cover the excessive obsolescence which exists in the industry. In many cases valuing a railroad by the cost approach is similar to valuing a harness and buggy manufacturing plant which also was a thriving industry sixty years ago. Sometimes the most valuable thing about a branch line of railroad track is the old copper switch lamps or the big brass switch locks.

The Office of Information and Public Affairs of the Association of American Railroads has compiled various railroad statistics by states. A copy of that report, entitled "Background Material for States" is attached as Exhibit 1.

There is attached as Exhibit 2 a statement showing, for the 43 states, total assessed value and computed full value of all railroad operating property, being track, yards, buildings, rolling stock, maintenance equipment, supplies, etc. Since each state, such as Rhode Island and Texas, obviously does not have the same amount of railroad property the values have been spread on a mileage basis. The miles used are what is known as miles of road - main and branch line. The average full value for those 43 states is $82,652 per mile. On that same basis Louisiana's average assessed value of $23,315 would represent a ratio to full value of 28.2 percent.

Louisiana is one of the twelve Southeastern states. The average full value for the other eleven states is $102,763 per mile, and compared to those Southeastern states Louisiana is assessing at 22.7%.

In an interest of being more regional, the three states bordering Louisiana - Arkansas, Mississippi and Texas - were grouped together for comparison. The average full value per mile in that case is $75,093, which indicates that Louisiana is assessing railroad property at 1.0% of full value.

There have been indications during recent years that the Louisiana Tax Commission has endeavored to assess railroad property at 25% of realistic full value. Regardless of whether the comparison is made on a national, regional or neighboring basis, the indication is that the Commission has done a commendable job.

The railroads appreciate this opportunity to meet with the Committee and express their views, and also appreciate the Committee's consideration. We thank you, gentlemen, for your interest.
<table>
<thead>
<tr>
<th>State</th>
<th>Operated Mileage</th>
<th>Assessment (000 omitted)</th>
<th>Assessment Per Mile</th>
<th>Assessment Ratio (%)</th>
<th>Full Value Determination (000 omitted)</th>
<th>Full Value Per Mile</th>
<th>State and Local Taxes Paid (000 omitted)</th>
<th>Taxes Per Mile</th>
</tr>
</thead>
<tbody>
<tr>
<td>SE Alabama</td>
<td>4,567</td>
<td>$107,368</td>
<td>$23,510</td>
<td>30</td>
<td>$357,893</td>
<td>$78,365</td>
<td>$6,574</td>
<td>$1,439</td>
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<td>151,157</td>
<td>73,663</td>
<td>9,761</td>
<td>4,737</td>
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<td>3,582</td>
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<td>20</td>
<td>361,220</td>
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</tr>
<tr>
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<td>1,156,238</td>
<td>156,566</td>
<td>36,763</td>
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<td>271,567</td>
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<td>20</td>
<td>368,490</td>
<td>68,214</td>
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<td>1,553</td>
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<td>18,600</td>
<td>28</td>
<td>177,229</td>
<td>66,428</td>
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<td>2,012</td>
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<td>50</td>
<td>1,062,238</td>
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<td>3,297</td>
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<td>526,671</td>
<td>82,228</td>
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<td>100</td>
<td>417,869</td>
<td>119,249</td>
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<td>51 (3)</td>
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<td>13,656</td>
<td>1,240</td>
<td>1,744</td>
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<td>77,463</td>
<td>77</td>
<td>111,668</td>
<td>100,602</td>
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<td>4,851</td>
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<td>46 (3)</td>
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<td>56,365</td>
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<td>50</td>
<td>380,730</td>
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<td>1,777</td>
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<tr>
<td>Minnesota</td>
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<td></td>
<td></td>
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<td>217,455</td>
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<td>55</td>
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<td>1,211,325</td>
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<td>28,621</td>
<td>3,667</td>
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Statement of Railroad Mileage, Assessed Valuation of Operating Property for Ad Valorem Taxes, (Cont'd)

<table>
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<tr>
<th>State</th>
<th>Operated Mileage (000 omitted)</th>
<th>Assessment Per Mile</th>
<th>Assessment Ratio (%)</th>
<th>Full Value Determination (000 omitted)</th>
<th>Full Value Per Mile</th>
<th>State and Local Taxes Paid (000 omitted)</th>
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(1) Railroad property exempt in whole or in part, or another tax imposed in lieu of property tax.
(2) Railroad property locally assessed.
(3) Ratios as published by U.S. Department of Commerce, Bureau of Census.
SE Southeastern States of which Louisiana is a part.
N Neighboring states to Louisiana.

Assessed Values and Assessment Ratios:
36 State Assessment States
7 Locally Assessment States
43 States 183,947 6,457,046
11 Southeastern States 42,746 2,085,321
3 Neighboring States 20,798 319,032
Louisiana 3,753 87,503

State and Local Taxes Paid
47 States 200,875
11 Southeastern States 42,746
3 Neighboring States 20,798
Louisiana 3,753

RECAPITULATION
(28.2 Compared to 43 States totaled above)
23,315 (22.7 Compared to 11 Southeastern States)
(31.0 Compared to 3 Neighboring States)

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MINUTES

Minutes of the meeting of the Committee on Revenue, Finance and Taxation of the Constitutional Convention of 1973

Held, pursuant to notice mailed by the Secretary of the Convention on June 4, 1973

Room 306, LSU Law School
Baton Rouge, Louisiana

Saturday, June 9, 1973, 9:00 a.m.

Presiding: Senator B.B. "Sixty" Rayburn, Chairman of the Committee on Revenue, Finance and Taxation.

Present: Charles A. Badeaux
Walter J. Champagne, Jr.
Lawrence Chehardy
David Conroy
Sen. J.D. De Blieux
Clyde Fontenot
Herman "Monday" Lowe
Dr. Claude Mauberret, Jr.
Pegram Mire
Auley B. Newton
A.J. Planchar
Charles E. Roemer, III
Charles Slay
Jasper K. Smith
P.D. Winchester

Absent: John A. Alario, Jr.
Frank M. Edwards, Jr.
F.A. McDaniell
Sen. Samuel H. Nunez, Jr.
Earl J. Schmitt
Risley C. Triche

The Chairman called the meeting to order at 9:20 a.m.; the roll was called, and a quorum confirmed.

The first order of business considered by the committee was whether to retain in the new constitution the three dollar license plate provision presently in the Louisiana Constitution of 1921, Article VI, Section 22, paragraph (a). After discussion, Delegate Chehardy moved that the three dollar license plate provision be retained in the new constitution. Motion carried with eleven yeas and three nays.

The next order of business considered by the committee was property tax exemptions. The committee began consideration of the exemption contained in Louisiana Constitution of 1921, Article X, Section 4. Under Section 4, paragraph 1, dealing with public property, Delegate Mire moved that the committee adopt the language in paragraph 1 of Section 4 of the present constitution. Motion carried with no objection.

Next, the committee held a general discussion of Article X, Section 4, paragraph 2 of the Louisiana Constitution of 1921, dealing with religious, charitable, and educational property. Delegate Chehardy moved to delete the lines starting with "athletic or physical cultural clubs ... physical and health development."

Delegate Lowe moved that the research staff prepare the language on "places of burial" so as to tax those that were organized for profit or income. Motion carried with fourteen yeas and three nays.

Next, the committee considered Article X, Section 4, paragraph 3. The committee instructed the staff to delete the words "to the value of one thousand dollars" after the words "household property." The staff was also instructed to delete "any property belonging to any military organization of the State used by the State National Guard or militia for military purposes" because this was considered public property.

The staff was instructed to include by motion of Delegate Winchester, an exemption for commercial vessels used for gathering seafood. Motion carried with no objection.

Delegate Conroy made the motion to exempt stocks and bonds, and the motion failed to carry.

Delegates De Blieux, Lowe, and Newton asked for a leave of absence for the meetings to be held next Thursday, Friday, and Saturday. Granted with no objection.

The meeting adjourned at 5:00 p.m.

June 9, 1973

COMMITTEE ON REVENUE, FINANCE AND TAXATION

Roll Call

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*Check mark* Present "X" - Absent

Chehardy motion to retain the $1 license plate.
CHEHARDY MOTION TO RETAIN THE $1 LICENSE PLATE.

CARRIED - FAINED -

11-4 9-6

Lowe substitute motion to proceed with work as set out.

CARRIED 14-3

Minutes of the meeting of the Committee on Revenue, Finance and Taxation of the Constitutional Convention of 1973
Held, pursuant to notice mailed by the
Secretary of the Convention on June 18, 1973
Committee Room 4, State Capitol Building
Baton Rouge, Louisiana
Thursday, June 14, Friday, June 15, and
Saturday, June 16, 1973, 10:00 a.m.

Residing: Senator B.B. "Sixty" Rayburn, chairman of
the Committee on Revenue, Finance and Taxation

Present: John A. Alario, Jr. Absent: Charles Badeaux
Walter J. Champagne Herman "Monday" Lowe
Lawrence Chehardy F.A. McDaniel
Sen. J.D. De Blieux Sen. Samuel Nunes, Jr.
Clyde Fontenot Charles Slay
Claude Maugerret, Jr. Jasper K. Smith
Pegram Mire Risley C. Triche
Autley B. Newton
A.J. Planchard
Charles E. Roemer, III
Earl J. Schmitt, Jr.
F.D. Winchester

The meeting was called to order by the chairman, and
a quorum was ascertained.

The committee began discussion on the Subcommittee on
Revenues, Other Than Property Taxes' proposal on tax structure.

Delegate Roemer offered a motion to adopt Section 1
of the staff's proposal on the power to tax and public
purpose. With no objections, the motion carried.

The committee discussed Section 2 of the proposal
on the power to tax and the limitations involved and
Delegate Conroy offered a motion to have the first sentence
of Section 2 read as follows: "The levy of a new tax and
any increase in an existing tax, and any removal or
deletion of an existing tax shall require the favorable
vote of two-thirds of the members elected to each house of
the legislature." Delegate Schmitt offered a substitute
motion that would apply not only to the deletion of an exemption
but also to the addition of an exemption, sub-
sequent to the time passage of the original act. Both
motions failed by vote of the committee.

Delegate Mire then offered a substitute motion that
Section 2 of the proposal be adopted as submitted by the
subcommittee. Delegate Champagne made a substitute that
at the end of line 27 after the word "legislature" that
the phrase "as evidence of recorded vote" be added. The
substitute motion carried with a 12-3 vote.

Delegate Roemer offered a motion to adopt Section 3
of the proposal submitted by the subcommittee. With no objection,
the motion carried.

The committee then recessed for lunch until 1:10 p.m.

The committee then began discussion on the subcommittee's
proposal for property tax exemptions. In paragraph 2
of Section 1 of the proposal dealing with "places of burial,"
Delegate Roemer offered a motion to insert the words "for
income or profit" after the word "development" and before
the word "as." After a lengthy discussion, Chairman Ray-
burn instructed the staff to reword the paragraph dealing
with "places of burial" to coincide with the opinions the
committee had expressed. The following wording was pre-
pared by the staff for the committee's consideration, dealing
with "places of burial" in paragraph 3, Section 1 of the
proposal for property tax exemption. Beginning with line
14, it would read as follows: "places of burial, and
property held for any religious denomination or nonprofit
corporation or organization for burial purposes, but the
exemption shall not apply to unsold lots, crypts or places
of burial, nor shall it apply to lands held for development
as places of burial, when so held for profit." Delegate
Champagne moved for the adoption of this wording. No
objection.

The committee then discussed the matter of "all
personal property" contained in paragraph 3 of Section 1
of the proposal for property tax exemptions. Delegate
Alario moved that the word "used" be deleted from the phrase
"all personal property used in the home or on loan in a
public place." Delegate Planchard then offered a substitute
motion that it simply read "household property." Delegate
Planchard's motion failed to carry. Delegate Chehardy
offered a motion that the wording in the proposal on
personal property be accepted. With no objection, the motion
carried.

The committee began discussion on the segment dealing
with "agriculture products, machinery, etc." in paragraph 1
of Section 1 of the proposal for property tax exemptions.
Delegate Schmitt offered a motion that the wording on
agriculture found in the present constitution be adopted.
Delegate Chehardy offered a substitute motion to adopt
Section 3 starting with line 32, the word "all" through
line 13, on page 2 of the proposal for property tax exemptions
ending with the word "highways." The substitute motion
carried with a 10-2 vote by the committee.

Delegate Mire offered a motion that the committee
direct the staff to prepare the language to exempt all
nonprofit hospitals. Delegate Chehardy then offered a
substitute motion that hospitals operated for the public
should be exempt from taxation. This motion failed with a
5-7 vote and Delegate Mire's motion carried with an 11-2
vote by the committee.

A motion was made to reword the remainder of paragraph
3 of Section 1 of the proposal for property tax exemptions.
With no objection, the motion carried.

Delegate Mire offered a motion that Section 8 of
Article X be retained as is in the present constitution.
With no objection, the motion carried.
Delegate Mire offered a motion to defer action on Article X, Section 9 of the present constitution, until the committee has heard the proposal to be presented by the Louisiana Assessor’s Association. The motion carried with a vote of 7-6 by the committee.

-4-

The committee adjourned at 4:00 p.m. until 9:00 a.m. the next morning.

The committee reconvened at 9:00 a.m., June 15, 1973.

Presiding: Sen. B.B. “Sixty” Rayburn, chairman of the Committee on Revenue, Finance and Taxation


After the call to order and a quorum of members present, discussion began on the proposal to make provisions for property tax laws.

Delegate Planchar offered a motion to adopt the language in the present constitution in Article X, Section 4, paragraph 10 and Section 22, relative to new manufacturing establishments, and embody them in our proposal to the convention. Delegate Mauberret then offered a substitute motion to include those four things: 1) to limit the exemption in any case to five years; 2) if a company has enjoyed an exemption previously, the exemption would not be allowed again; 3) and in no case shall the exemption apply to school millage; 4) and a new manufacturing establishment, before it is granted an exemption, would have to have the approval of the local governing authority along with the approval of the governor. After discussion by the committee, Delegate Mauberret withdrew the first three points to his motion, leaving the addition of the words "and the local governing authority" to be placed after the word "governor", on the second line of paragraph 10, of Section 4. The motion carried with a 10-3 vote by the committee.

Delegate Champagne offered a motion to delete Section 22 of Article X of the present constitution. The motion carried with a 12-1 vote by the committee.

Delegate Roemer offered a motion for the deletion of paragraphs 12 and 13 of Section 4 of Article X as written in the present constitution. With no objection, the motion carried.

Delegate Schmitt offered a motion to delete paragraph 14 of Section 4 of Article X. With no objection, the motion carried.

Delegate Chehardy offered a motion to delete paragraph 15 of Article X, Section 4. With no objection, the motion carried.

Concerning paragraph 16, of Article X, Section 4, the committee instructed the staff to determine if other sections in the constitution were related to this paragraph. The staff report will be considered later.

Delegate Mire offered a motion to delete paragraph 17 of Article X, Section 4. The motion carried with a 7-5 vote by the committee.

Delegate Schmitt moved that paragraph 18 of Article X, Section 4 be deleted. Delegate Mauberret offered a substitute motion to defer action until the committee could learn more about the reasons for the paragraph being in the constitution. The substitute motion carried with an 8-5 vote by the committee.

The committee then recessed for lunch until 1:30 p.m.

The committee asked Mr. Gordon Johnson, Louisiana Tax Commission, to inform the them of the reasons for paragraphs 18 and 19. Delegate Chehardy offered a motion to delete paragraph 19(a) of Section 4, Article X. Delegate Champagne amended the motion to delete paragraph 19 in its entirety. Delegate Champagne then offered a substitute motion to transfer paragraph 19 to the statutes. The substitute motion carried with a 12-1 vote by the committee.

Delegate Champagne offered a motion to defer action on Article X, Section 2 until the committee could hear the assessors’ plan. With no objection, the motion carried.

By motion of Delegate Mire, the meeting adjourned at 3:30 p.m.

The committee reconvened at 9:00 a.m., Saturday, June 16, 1973 in the auditorium of the State Library.


The meeting was called to order, and a quorum was ascertained.

Delegate Champagne offered a motion that the committee adopt Article X, Section 5 as in the present constitution, and coordinate with the Committee on Local and Parochial Government.

Senator De Blieux offered a motion to delete Article X, Section 5.1 unless it should be maintained to protect bondholders. The staff was instructed to research Article X, Section 5.1 to determine if bondholders would be protected if the section was deleted. With no objection, the motion carried.

Senator De Blieux offered a motion to delete Article X, Section 6. With no objection, the motion carried.

Delegate Roemer offered a motion that Article X, Section 7 be deleted from the constitution. The motion carried with a 12-2 vote by the committee.

Delegate Champagne offered a motion to insert in the staff's proposal on tax structure in Article X, Section 5, paragraph (C) after the word "state" on line 5, the words "except in the case of liquor." Delegate Fontenot offered a substitute motion that the wording in the present constitution found in Article X, Section 8 be retained with the deletion of the sentence on line 6 beginning with the word "such" and ending with the word "progressive," and deleting the words on line 10 beginning with the word "but" and ending with the word "authorize." Delegate Fontenot's motion also asked that the committee vote on each sentence of Section 5 separately. After a lengthy discussion by the committee, Delegate Fontenot withdrew his motion and Delegate Roemer offered a motion to delete Section 8 of Article X from the present constitution, seconded by Delegate Schmitt. The motion carried with an 11-2 vote by the committee.

The committee then began discussion of the next meeting dates. Delegate Champagne offered a motion that the committee meet Friday, June 22, and Saturday, June 23. With no objection, the motion carried. Delegate Roemer offered a motion that we not only meet Friday and Saturday, but we meet Tuesday through Saturday of the following week, until the committee finishes their business. The motion failed to carry.

Delegate Alario offered a motion that the committee meet not only Friday, June 22, and Saturday, June 23, but also Monday, June 25, 1973 or until the committee finishes their business. The motion carried with a 7-5 vote by the committee. The chairman ruled that the meetings would begin at 10:00 a.m. each day.

Delegate Roemer offered a motion that Article X, Section 9 be deleted. With no objection, the motion carried.

The committee decided to defer action on Sections 10, 10(a), 10(b), and 11 of Article X.

Delegate Champagne offered a motion that Section 14 of Article X be referred to the Committee on Local and Parochial Government. With no objection, the motion carried.

Delegate Winchester offered a motion that Section 15 of Article X be deleted. With no objection, the motion carried.

Delegate Fontenot offered a motion that the committee defer action on Section 16 of Article X until the assessors' plan has been heard by the committee. Delegate Schmitt offered a substitute motion to delete Section 16. The substitute motion carried with a vote of 10-3 by the committee.

Delegate Conroy offered a motion that Section 17 of Article X be deleted. With no objection, the motion carried.

The committee decided to defer action on Section 20 of Article X until later.

Delegate Roemer offered a motion that Section 21 of Article X be the first order of business at the next meeting. The research staff was instructed to have several speakers from the oil, timber, and sulphur industries to speak on severance taxes. With no objection, the motion carried.

Delegate Roemer offered a motion to delete Section 24 of Article X. With no objection, the motion carried.

By motion of Delegate Roemer, the meeting adjourned at 12:45 p.m.

[Signatures]

CHAIRMAN

VICE CHAIRMAN

Voting occurred on Subcommittee on Property Taxes' proposal on property tax exemptions.

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COMMITTEE PROPOSAL NUMBER

Introduced by

A PROPOSAL

For tax structure.

PROPOSED SECTIONS:

Article ___, Section 1. Power to Tax: Uniformity; Public Purpose

Section 1. The power of taxation shall be vested in the legislature and shall never be surrendered, suspended, or contracted away. All taxes shall be uniform within each class and imposed for public purposes only.


Comment: Continues the existing provision vesting the taxing authority in the legislature and stipulating that taxes shall be uniform within each class and imposed only for public purposes. Remainder of the source provision is covered by the property tax provision.

Section 2. Power to Tax: Limitation

Section 2. The levy of a new tax and any increase in an existing tax shall require the favorable vote of two-thirds of the members elected to each house of the legislature. A like vote shall be necessary for the adoption of amendments to bills proposing the same and to reports of conference committees.


Comment: Requires two-thirds vote on all tax matters, thus making no substantive change in the present law.

Section 3. Collection and Refund of Taxes

Section 3. The collection of taxes shall not be restrained, and procedures shall be provided for the recovery of taxes illegally paid.


Comment: This provision is substantially the same as Art. X, §18, La. Const. 1921.

Section 4. Resource Severance Fund

Section 4. Three-fourths of the timber severance tax, one-third of the sulphur severance tax, one-fifth of the tax on all other natural resources, and one-tenth of the royalties from mineral leases granted by the state shall be remitted to the governing authority of the parish from which the natural resources were severed; however, the amount of severance tax on minerals so remitted shall not exceed two hundred thousand dollars annually.


Comment: Continues the existing dedication of a portion of the revenue from severance taxes and mineral royalties to parishes from which severed. Deletes the existing requirement that limitation royalties be used for transportation purposes.

Section 5. Limitations on Taxing Power; Graduated Rates, Severance Tax, and Subdivisions of the State

Section 5. (A) Taxes on income shall be graduated according to the amount of net income.

(B) Severance taxes shall be the only tax on natural resources.

(C) Subdivisions of the state. Political subdivision of the state shall not levy taxes on income, natural resources, or motor fuel, nor shall any occupational license tax levied by any political subdivision be greater than that imposed by the state.


Comment: Provides for limitation on taxes on incomes, severance taxes, and taxing power of political subdivisions.

Requires that taxes on incomes be graduated as present law does. The words "equal" and "uniform" have been eliminated since they are ambiguous when used in providing for a graduated income tax. The references to exemption have been eliminated because "...the power to exempt from taxation, as well as the power to tax, is an essential attribute of sovereignty, and are generally granted only when and to the extent that they may be deemed to conserve the general welfare. The power to exempt may be exercised in the constitution or in a statute, unless the constitution expressly or by implication prohibits action by the legislature on the subject." 84 C.J.S. 414-415.

Also, reference to the income tax schedule of rates has been deleted which gives the legislature greater flexibility in establishing the tax rate and base for the state income tax schedule.

The limitation on severance taxes on natural re-
The sources represent no substantive change in the present law. The $1.03 per ton tax ceiling on sulphur is deleted since it is already statutory law. La. R.S. 47:633.

The limitation on the taxing power of political subdivisions has been expanded to include a prohibition of the taxing of incomes. The prohibition against political subdivisions taxing natural resources and motor fuel represents no change in the present law.

The limitation in occupational license taxes has been changed to include alcoholic beverages. Art. X, §8.

CC-
1 Constitutional Convention of Louisiana of 1973
2 DELEGATE PROPOSAL NUMBER
3 Introduced by
4 A PROPOSAL
5 For property tax exemptions.
6 PROPOSED SECTIONS:
7 Article ___, Section ___. Exemptions from Property Taxation
8 Section ___. The following property, and no other, shall be exempt from taxation:
9 1. All public property.
10 2. Places of religious worship; property owned by religious denominations and used as residences for ministers; places of burial, but not lands held for development as places for burial or lots, or crypts not yet sold; property devoted to public charity; schools and colleges; however, the exemption shall extend only to the property and grounds thereunto appurtenant which are used for any one of the abovementioned purposes and which are not leased or held for profit or income.
11 3. Cash on hand or deposit; obligations secured by mortgage or property located in Louisiana and the notes or other evidence thereof; loans by life insurance companies to policy holders, if secured solely by their policies; the legal reserve of domestic life insurance companies; loans by honest or building and loan associations to their members, if secured solely by stock of said associations; debts due for merchandise or other articles of commerce or for services rendered; obligations of the state or its political subdivisions; all personal property used in the home or on loan in a public place; agricultural products while owned by the producer, agricultural machinery and other implements used exclusively for agricultural purposes, and all animals on the farm. and property belonging to agricultural fair associations; all property used for cultural or civic activities and not operated for profit to the owners; all ocean-going vessels engaged in international trade and domiciled in Louisiana ports, but this exemption shall not apply to harbor, wharf, shed, and other port dues; and no vessel operated in the coastal trade of the continental United States shall be within the exemption herein granted; boats using gasoline as motor fuel; commercial vessels used for gathering seafood; and rights of way granted to the State Department of Highways.

MINUTES
Minutes of the meeting of the Committee on Revenue, Finance and Taxation of the Constitutional Convention of 1973

Held, pursuant to notice mailed by the Secretary of the Convention on June 18, 1973
Committee Room 5, State Capitol Building
Baton Rouge, Louisiana
Friday, June 22, 1973, 10:00 a.m.

Presiding: Senator B.B. "Sixty" Rayburn, Chairman
Present: Mrs. Carolyn Badeaux
Sen. James Brown
Walter Champagne
David Conroy
Sen. J.D. De Blieux
Frank Edwards
Clyde Fontenot
Herman "Monday" Lowe
J.A. McDaniel
Dr. Claude Mauberret
Pegram Mire
Autley Newton
Sen. Samuel Nunez
A.J. Planchard
Charles E. Roemer, III
Earl J. Schmidt, Jr.
Charles Slay
Jasper K. Smith
P. C. Winchester

Absent: John A. Alario, Jr.
Lawrence Chehardy
Risley C. Triche

The chairman called the meeting to order and a quorum was ascertained. In compliance with the committee's wishes several speakers were invited to make presentations to the committee at this time.

The chairman introduced the first speaker, Bertris Young of Bogalusa, who gave a brief summary of his association with forestry in his area.

The next speaker was Burton Weaver of Flora, who urged the committee to retain Article X, Section 1, as written in the present constitution, stating it was a "cornerstone" in the forestry field.

The next speaker was Jim Gale, president of the La. Forestry Association, who stated that the present tax laws pertaining to forestry were working successfully and advised
that Louisiana ranks third in the production of plywood and paper and in the top fifteen in the production of lumber in the United States and urged the retention of the present constitutional provisions.

The next speaker was CC/73 Delegate Pete Hernandez of Leesville, who stated that the extensive lumber industry in Louisiana supported industry and thereby provided jobs in this field. Delegate Hernandez presented a resolution on behalf of the Vernon Parish Police Jury urging the retention of the provision of Article X, Section 1, of the present constitution as revised by Act No. 759 of 1954, regarding severance taxes on timber. (See Attachment)

The next speaker was Bill Matthews, associated with the La. Forestry Association, who also urged the retention of Article X, Section 1. In answer to a question by one of the committee members, Mr. Matthews informed the committee that $2.2 million was yielded each year from severance taxes on timber.

The next speaker was Earl Willis, of St. Martinville, a representative of the La. Land and Royalty Owners Association.

Mr. Willis spoke briefly on Article X, Section 21, and urged the retention of this provision in particular paragraph (1). Mr. Willis was asked to explain the association, which has been in existence since 1963, and its membership; and he stated that it was a nonprofit corporation which represented 60 of the 64 parishes throughout the state and membership is composed of owners of timber land. (See attachment)

After the committee reconvened from lunch at 1:30 p.m., the chairman recognized the next speaker, Robert Brookshire, who represented Mid-Continental Oil. Mr. Brookshire stated that Mid-Continental Oil was responsible for 92% of the marketing of all oil and gas in the state of Louisiana. Mr. Brookshire introduced Milton Duvilieh, an attorney for Mid-Continental Oil, who presented a proposal relative to severance tax and urged the adoption of this proposal as presented by Mid-Continental. He remarked the tax rate in Louisiana was higher than the combined ad valorem and severance tax in any other state. (See attachment)

Discussion was held by the committee on Article X, Section 21 of the La. Const. of 1921. Due to the committee’s indecision Delegate Brown offered a motion to adjourn to let the Subcommittee on Revenues Other Than Property Taxes meet and finish their report, and the whole committee would meet again Saturday at 10:00 a.m. Delegate Brown’s motion carried with a 13-6 vote by the committee.

The meeting adjourned at 3:30 p.m.

The committee reconvened at 10:00 a.m., June 23, 1973, in Committee Room 5 of the State Capitol. Delegate Roemer, secretary of the Committee on Revenue, Finance and Taxation, presided and the following delegates were present:


The meeting was called to order and a quorum was ascertained. Delegate Roemer presided until Vice Chairman Edwards arrived at the meeting.

Delegate Brown presented the report from the Subcommittee on Public Finance, CC-234 Revised. Brown was assisted in the presentation by Delegate Roemer and James Norris. Each section of the report was discussed by the committee.

Delegate De Blieux requested a leave of absence for the meeting after the lunch break and the meetings scheduled for the rest of the week.

After the lunch recess, discussion of CC-234 Revised was resumed.

Delegate Planchard moved that if there is no further business, the meeting be adjourned. This motion was not recognized by the chair.

Delegate Brown made two suggestions:
1. The committee should vote on the proposal, CC-234 Revised, on Monday morning, June 25, 1973.
2. The committee should hear the report from the Subcommittee on Revenues Other Than Property Taxes and compare the two reports.

Delegate Conroy moved that the committee hear the report from the Subcommittee on Revenues Other Than Property Taxes on Monday, June 25, 1973, if it is ready. If it is not ready, the committee should vote on CC-234 Revised on Monday, June 25, 1973.

The motion carried.

[352]
Delegate Schmitt made a substitute motion: The committee should begin voting on CC-234 Revised at this meeting.

-5-

Smith moved to table the substitute motion.

YES NO PASS
Badeaux Schmitt Champagne
Brown
Conroy
Edwards
Fontenot
Lowe
McDaniel
Maubertret
Mire
Newton
Plancharid
Roemer
Slay
Smith
Winchester

The motion carried.

Delegate Mire made a substitute motion: The committee should vote on the report from the Subcommittee on Public Finance on Monday morning, June 25, 1973. He withdrew his motion.

Delegate Smith offered an amendment: The committee should vote on the proposal on Wednesday, June 27, 1973, instead of Monday, June 25, 1973. This amendment was not accepted by the chair.

Delegate McDaniel asked for a leave of absence from two previous meetings he had missed and the meetings on June 25 and 26, 1973.

Delegate McDaniel moved to devote Thursday, June 28, 1973, to any hearings regarding ad valorem taxes other than home ownership.

Discussion was held on the business of the committee for the meetings to be held the next week.

Delegate Fontenot made a substitute motion: The committee hear the report from the Subcommittee on Revenues Other Than Property Taxes and vote on it Monday and Tuesday, June 25 and 26, 1973. The committee should then hear the report from the Subcommittee on Public Finance and vote on it on Wednesday and Thursday, June 27 and 28, 1973. Friday, June 29, 1973, should be designated for hearings. With no objections, the motion carried.

Delegate Mire moved to adjourn. With no objections, the motion carried and the meeting adjourned at 3:50 p.m.

Delegate Smith made a substitute motion: The committee of Roemer, Schmitt of the quorum as Smith of the motion Delegate the motion and the motion was passed. The motion was carried.

Delegate Schmitt moved to table the substitute motion.

YES NO PASS
Badeaux Schmitt Champagne
Brown
Conroy
Edwards
Fontenot
Lowe
McDaniel
Maubertret
Mire
Newton
Plancharid
Roemer
Slay
Smith
Winchester

The motion carried.

Delegate Mire made a substitute motion: The committee should vote on the report from the Subcommittee on Public Finance on Monday morning, June 25, 1973. He withdrew his motion.

Delegate Smith offered an amendment: The committee should vote on the proposal on Wednesday, June 27, 1973, instead of Monday, June 25, 1973. This amendment was not accepted by the chair.

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Delegate Mire moved to adjourn. With no objections, the motion carried and the meeting adjourned at 3:50 p.m.

Delegate Schmitt made a substitute motion: The committee should begin voting on CC-234 Revised at this meeting.

The motion carried.

Delegate McDaniel moved to table the substitute motion.

YES NO PASS
Badeaux Schmitt Champagne
Brown
Conroy
Edwards
Fontenot
Lowe
McDaniel
Maubertret
Mire
Newton
Plancharid
Roemer
Slay
Smith
Winchester

The motion carried.

Delegate Mire made a substitute motion: The committee should vote on the report from the Subcommittee on Public Finance on Monday morning, June 25, 1973. He withdrew his motion.

Delegate Smith offered an amendment: The committee should vote on the proposal on Wednesday, June 27, 1973, instead of Monday, June 25, 1973. This amendment was not accepted by the chair.

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Delegate Mire moved to adjourn. With no objections, the motion carried and the meeting adjourned at 3:50 p.m.

Delegate Schmitt made a substitute motion: The committee should begin voting on CC-234 Revised at this meeting.

The motion carried.

Delegate McDaniel moved to table the substitute motion.

YES NO PASS
Badeaux Schmitt Champagne
Brown
Conroy
Edwards
Fontenot
Lowe
McDaniel
Maubertret
Mire
Newton
Plancharid
Roemer
Slay
Smith
Winchester

The motion carried.

Delegate Mire made a substitute motion: The committee should vote on the report from the Subcommittee on Public Finance on Monday morning, June 25, 1973. He withdrew his motion.

Delegate Smith offered an amendment: The committee should vote on the proposal on Wednesday, June 27, 1973, instead of Monday, June 25, 1973. This amendment was not accepted by the chair.

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Delegate Mire moved to adjourn. With no objections, the motion carried and the meeting adjourned at 3:50 p.m.

The committee reconvened at 10:00 a.m., June 25, 1973, in Committee Room 5 of the State Capitol. Sen. Rayburn, chairman of the Committee on Revenue, Finance and Taxation presided and the following delegates were present:

PRESENT: John A. Alario, Jr. ABSENT: Sen. James Brown
Mrs. Carolyn Badeaux Sen. J.D. De Blieux
Walter Champagne J.A. McDaniel
Lawrence Chehardy Sen. Samuel Vunez
David Conroy Earl J. Schmitt
Frank Edwards, Jr. Risley C. Triche
Clyde Fontenot
Herman "Monday" Lowe
Dr. Claude Mauberret
Pegram Mire
Autley Newton
A.J. Planchard
Charles E. Roemer, III
Charles Slay
Jasper K. Smith
F.D. Winchester

The meeting was called to order and a quorum was ascertained.

The committee began discussion on whether to request any further speakers to come before the committee. Delegate Conroy offered a suggestion that the committee hear speakers Tuesday on taxes other than ad valorem taxes and Thursday hear speakers on ad valorem taxes. There being no objection, it was so ordered.

Dr. Claude Mauberret, vice chairman of the Subcommittee on Revenues Other Than Property Taxes, began the presentation of their report to the committee. Article XIX, Section 8 was discussed first, which the committee was to coordinate with the Committee on Legislative Powers and Functions. Delegate Newton offered a motion to defer action until the convention as a whole meets. There being no objection the motion carried.

Delegate Chehardy offered a motion that the committee accept the Subcommittee on Revenues Other Than Property Taxes' proposal, CC-235 Revised, as written except for those provisions pertaining to income taxes and inheritance taxes, which as the motion stated were to be retained and written as in the previous constitution. Delegate Smith offered a substitute motion for the committee to proceed with discussion on the chart and proposal prepared by the subcommittee. The substitute motion carried with a 10-5 vote by the committee.

Delegate Smith offered a motion that Section 2 of CC-235 Revised be adopted to replace Article IV, Section 25.1 and Article X, Section 1 (a) of the La. Const. of 1921. Delegate Conroy offered an amendment in the form of a substitute motion to Section 2 of CC-235 Revised which would delete on lines 22 and 23 of page 1 the words "and any increase in an existing tax" and submit in lieu thereof the words "any increase in an existing tax and any repeal of an existing exemption from a tax." Delegate Conroy's substitute motion carried with a 9-6 vote by the committee. There being no objection to the adoption of Section 2 as amended of CC-235 Revised, it was so ordered.

The committee then began discussion on Article IV, Section 2 of the 1921 Constitution. Delegate Champagne moved that action be deferred until after the Subcommittee on Public Finance's report is heard. Delegate Smith offered a substitute motion that Section 2, paragraph (C) of Article IV of the 1921 Constitution be placed in the statutes. There being no objection, Delegate Smith's substitute motion carried.
Delegate Slay offered a motion that paragraph (D) of Section 2, Article IV of the 1921 Constitution be placed in the statutes. There being no objection, it was so ordered.

The committee then discussed Article IV, Section 4, paragraphs 10, 15, and 17 of the 1921 Constitution. Delegate Conroy offered a motion to retain the prohibitions against local and special laws. There being no objection, the motion carried.

Delegate Conroy offered a motion to defer action on Article IV, Section 13 of the 1921 Constitution until the other subcommittee's report had been presented. There being no objection, it was so ordered.

Delegate Slay offered a motion on Article VI, Section 2, paragraph 1 of the 1921 Constitution to follow the recommendations of the Committee on Natural Resources and Environment. Delegate Fontenot offered a substitute motion that Section 7 of CC-235 Revised, relative to Article VI, Section 2, paragraph 1 of the 1921 Constitution be deleted and to conform with the intent of the proposal submitted by the Committee on Natural Resources and Environment. Delegate Fontenot's substitute motion failed with a vote of 10-3 by the committee. Delegate Newton then offered a substitute motion that the committee not adopt Section 7 of CC-235 Revised and it not be included in the report to the convention. Delegate Newton's substitute motion failed with a vote of 9-4 by the committee. Delegate Alario offered a substitute motion to defer action on this section at this time. There being no objection, it was so ordered.

Delegate Champagne offered a motion to place Article VI, Section 20 of the 1921 Constitution in the statutes. There being no objection, it was so ordered.

Delegate Planchar offered a motion that the recommendations of the subcommittee on Article VI, Section 22 of the 1921 Constitution be adopted. Delegate Smith offered a substitute motion that the three dollar license plate be put in the statutes. The substitute motion failed with an 11-3 vote by the committee.

Delegates Edwards, Alario, and Chehardy offered an amendment to Section 6 of CC-235 Revised, page 4, line 6, to add after the word "all," the words "no parish or municipality may impose any license fee on motor vehicles." The amendment was adopted with no objection.

Delegate Champagne offered a motion that the recommendations of the subcommittee be followed in placing Article VI, Section 23 of the 1921 Constitution (4 relevant to the committee) in the statutes. There being no objection, it was so ordered.

Delegate Champagne offered a motion that Article VI, Section 25 of the 1921 Constitution be placed in the statutes, as the subcommittee had recommended. There being no objection, it was so ordered.

Delegate Slay offered a motion that Article VI, Section 26 of the 1921 Constitution be placed in the statutes, as recommended by the subcommittee in their report. There being no objection, it was so ordered.

Delegate Mire offered a motion to follow the subcommittee's recommendation and place Article VI-A, Sections 1-14 of the 1921 Constitution in the statutes. There being no objection, it was so ordered.

Delegate Champagne offered a motion that Section 1 of CC-235 Revised, relative to Article X, Section 1, paragraph 1, be adopted as submitted. There being no objection, it was so ordered.

Delegate Alario offered a motion that action be deferred on Article X, Section 1, paragraph 2 of the 1921 Constitution. There being no objection, it was so ordered.

Delegate Fontenot offered a motion that Article X, Section 1, paragraph 4 of the 1921 Constitution be deleted. There being no objection, it was so ordered.

The committee decided to defer action on Article X, Section 1, paragraph 5 of the 1921 Constitution until later.

Delegate Conroy offered a motion to defer action on Section 5 of CC-235 Revised relative to Article X, Section 1, paragraph 6 of the 1921 Constitution. There being no objection, it was so ordered.

Delegate Champagne offered a motion to follow the subcommittee's recommendation of deleting Article X, Section 5.1. There being no objection, it was so ordered.

Delegate Conroy offered a motion to defer action on Article X, Sections 6 and 7 of the 1921 Constitution. There being no objection, it was so ordered.

The committee decided to defer action on Article X, Section 8 of the 1921 Constitution also.

Delegate Smith offered a motion that the subcommittee's recommendation be followed in deleting Article X, Section 9 of the 1921 Constitution. There being no objection, it was so ordered.

Delegate Planchar offered a motion to adopt Section 3 of CC-235 Revised, relative to Article X, Section 18 of the 1921 Constitution. Delegate Conroy offered an amendment to Section 3 in the form of a motion to delete on page 2, line 2 the words "taxes illegally paid," and substitute in lieu thereof the words "illegal taxes." There being no objection to the amendment, it was adopted.

Delegate Conroy asked that Article X, Section 21, paragraphs 1 and 2 of the 1921 Constitution be deferred. There being no objection, it was so ordered.

Delegate Chehardy offered a motion to follow the subcommittee's recommendation in placing Article X, Section 24
of the 1921 Constitution in the statutes. There being no objection, it was so ordered.

The committee decided to defer action on Article XII, Sections 15 and 16 and also Article XIV, Section 7, 8, 14 (b.2), 14 (m.1) and 14 (p) of the 1921 Constitution.

Delegate Smith offered a motion that Article XIV, Section 21 of the 1921 Constitution be deleted. There being no objection, it was so ordered.

The committee decided to defer action on Article XIV, Section 24.1 of the 1921 Constitution, relative to Section 5 of CC-235 Revised. There being no objection, it was so ordered.

Delegate Smith offered a motion to follow the subcommittee's recommendation on Article XIV, Sections 24.6 and 24.17 of the 1921 Constitution to place them in the statutes. There being no objection, it was so ordered.

Delegate Smith offered a motion to adopt Article XIX, Section 8, although the subcommittee had made no recommendation.

Delegate Newton offered a substitute motion to adopt the subcommittee report of having taken no action. Delegate Newton's substitute motion carried with a 10-4 vote by the committee.

Delegates Slay and Edwards asked for a leave of absence for Tuesday and Wednesday and Delegate Newton asked for a leave of absence for Tuesday and it was granted.

Delegate Mire moved to adjourn at 4:15 p.m.

The committee reconvened at 10:00 a.m., June 26, 1973, in Committee Room 5 of the State Capitol. Sen. Rayburn, chairman of the Committee on Revenue, Finance and Taxation, presided and the following delegates were present:


The meeting was called to order by the chairman, and a quorum was ascertained.

The committee began discussion on Article VI, Section 2, paragraph 1, dealing with forestry, of the 1921 Constitution.

Delegate Alario offered an amendment to Section 7 of CC-235 Revised, relative to Article VI, Section 2, paragraph 1, to add at the end of line 13, page 4, after the word "forestry" the following: "shipbuilding, strawberry farming, shipping, fishing, crabbing, insulation board making, dairy farming, pirogue building, candle making, all forms of farming, funeral homes, and hospitals". Delegate Alario's amendment failed with a 9-6 vote by the committee. It was decided to defer action until later on Article VI, Section 2, paragraph 1 of the 1921 Constitution.

The committee reconvened at 1:30 p.m. after a recess for lunch.

A presentation was made at this time by Mr. Edward S. Reed, director for the Port of New Orleans, who urged that the port be allowed to maintain its present method of financing.

The committee then heard a presentation made by Mr. Bob McNair and Mr. Fred Benton, Sr. from the Lake Charles Harbor and Terminal District. They also asked that the Lake Charles Harbor be excluded from budgetary control.

A presentation was made next by Mr. Emil Comar, Executive Director of the La. Catholic Conference, who urged that nonprofit hospitals be exempt from taxation in the new constitution.

Delegate Smith offered a motion for adjournment at 4:10 p.m. There being no objection, the motion carried.

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The committee reconvened at 10:00 a.m., June 27, 1973, in Committee Room 5 of the State Capitol. Sen. Rayburn, chairman of the Committee on Revenue, Finance and Taxation, presided and the following delegates were present:


The meeting was called to order by the chairman, and a quorum was ascertained.

Discussion began on Section 5 of CC-235 Revised and Delegate Chehardy offered a motion that Article X, Section 1, paragraph 2, dealing with income taxes of the present constitution be retained verbatim in the new constitution. Delegate Roemer offered a substitute motion to table the original motion and called for the question. The substitute motion carried with a 9-6 vote by the committee.

Delegate Lowe offered an amendment in the form of a motion to substitute the following wording in place of paragraph (A) of Section 5 of CC-235 Revised on page 2: "Equal and uniform taxes may be levied upon net incomes, and such taxes may be graduated according to the amount of net taxable income."

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This amendment failed with a 13-6 vote by the committee.

Delegate Comoroy offered a motion for the adoption of his amendment to Section 5, paragraph (A) which would read as follows: "Equal and uniform taxes may be levied upon net incomes, and such taxes may be graduated according to the
amount of net income." There being no objection, this
amendment was adopted.

Delegate Planchard offered an amendment in the form of
a motion on Section 5, paragraph (A), page 2 of CC-235 Revised.
With this amendment the paragraph would read as follows:
"Equal and uniform taxes may be levied upon net incomes, and
such taxes may be graduated according to the amount of net
income. Individual income tax rates shall not be imposed
at rates greater than those presently in effect." Chairman
Rayburn offered an amendment in the form of a substitute
motion to Section 5, paragraph (A) on page 2 of CC-235 Revised
which would change paragraph (A) to read as follows: "The
state individual income tax rate shall be 2 percent on the
first $10,000 taxable income for single return or $20,000
taxable income for joint return. Tax rates on all other
taxable income shall be determined by law." Delegate Rayburn's
amendment failed with an 11-6 vote by the committee. Delegate
Planchard's amendment carried with a 10-8 vote by the committee.

The committee reconvened from a recess for lunch at 1:30 p.m.

Delegate Conroy offered an amendment in the form of a
motion to Section 5, paragraph (A) on page 2 of CC-235 Revised
which would change it to read as follows: "Equal and uniform
taxes may be levied upon net incomes, and such taxes may be
graduated according to the amount of net income. Taxes upon

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inheritances, legacies, gifts, and estates may be classified
and graduated according to amount. Income taxes on individuals,
and inheritance, gift, and estate taxes shall not be imposed
at rates greater than those presently in effect." This
amendment failed with a 10-8 vote by the committee.

Delegate Conroy offered another amendment in the form of
a motion to Section 5, paragraph (B), page 2 of CC-235 Revised
which would change paragraph (B) to read as follows: "Taxes
may be levied on natural resources severed from the soil or
water, to be paid proportionately by the owners thereof at
the time of severance. Natural resources may be classified
for the purpose of taxation and such taxes may be predicated
upon either the quantity or value of the products at the time
and place of severance. No further or additional tax or
license shall be levied or imposed upon oil, gas, or sulphur
leases or rights, nor shall any additional value be added to the
assessment of land, by reason of the presence of oil, gas, or
sulphur therein or their production therefrom. Likewise,
severance taxes shall be the only tax on timber." Delegate
Edwards offered a substitute motion in the form of an amendment
to paragraph (B) to add to Delegate Conroy's amendment on the
last line, the last word "timber" the following words: "provided
that standing timber shall be and remain liable equally with
the land on which it stands, for ad valorem taxes levied on
said land." The substitute motion carried with a 16-3 vote by
the committee.

The committee began discussion on a plan to be presented
by the La. Assessor's Association on property taxes, and as a
result of a motion made by Delegate Schmitt, Governor Edwards

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appeared before the committee for a brief moment to inform
the committee that it was not his responsibility to develop
a property tax plan, but that this responsibility was placed
on the Committee on Revenue, Finance and Taxation, and that
he did not have any knowledge of a plan prepared by the La.
Assessor's Association.

Delegates Champagne, Nunez, and Alario offered an amendment
to Section 5, paragraph (C), on page 2 of CC-235 Revised which
would change the paragraph to read as follows: "(C) Political
subdivisions of the state shall not levy taxes on income,
natural resources severed from soil or water, or motor fuel,
and any occupational license taxes levied by a political sub-
division shall not be greater than those imposed by the state,
and the total amount of any occupational license tax levied by
a parish shall be reduced by the amount of any municipal occu-
opational license tax levied." There being no objection to the
amendment, it was adopted.

Delegate Newton offered a motion to reconsider the vote
on the amendment offered by Delegate Edwards on Section 5,
paragraph (B), page 2 of CC-235 Revised. There being objection,
the motion failed to carry.

Delegate Conroy offered an amendment to paragraph (C) of
Section 5, which would delete paragraph (C) in CC-235 Revised
and substitute in lieu thereof the following words: "(C) Political
subdivisions of the state shall not levy taxes on natural
resources severed from soil or water, or motor fuel, and any
occupational license or income taxes levied by a political sub-
division shall not be greater than those imposed by the state,
and the total amount of any occupational license or income taxes

-19-

levied by a parish shall be reduced by the amount of any
municipal occupational license or income tax levied." Delegate
Chehardy then offered a substitute motion to table Delegate
Conroy's amendment. The substitute motion carried with an
11-4 vote by the committee.

Delegates Rayburn, Chehardy, Alario, Nunez, Mire,
Maubert, Edwards, Winchester, and Planchard offered an
amendment to Section 5, paragraph (A) deleting the paragraph
(A) in CC-235 Revised and substituting in lieu thereof the
following: "(A) Equal and uniform taxes may be levied upon
net incomes, and such taxes may be graduated according to the
amount of net income, provided, however, that no income tax
shall be imposed on any person with a net income of less than
ten thousand dollars ($10,000), or if a joint return is filed
by husband and wife no income tax shall be imposed if the
net joint income is less than twenty thousand dollars ($20,000)." Delegate
Conroy offered a substitute motion to table this
amendment, but it failed to carry with a 10-6 vote by the committee. The original amendment carried with a 12-3 vote by the committee.

Delegate Fontenot offered a motion to adjourn which passed.

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The committee reconvened at 10:00 a.m., June 28, 1973, in Committee Room 5 of the State Capitol. Sen. Rayburn, chairman of the Committee on Revenue, Finance and Taxation presided and the following delegates were present:

PRESENT: John A. Alario, Jr. 
Mrs. Carolyn Badeaux
Sen. James Brown, Jr.
Walter Champagne
Lawrence Chehardy
David Conroy
Frank Edwards, Jr.
Clyde Fontenot
Herman "Monday" Lowe
J.A. McDaniel
Dr. Claude Mauberret, Jr.
Pegram Mire
Audley Newton
Sen. Samuel Nunez, Jr.
A.J. Planchard
Charles E. Roemer, III
Earl J. Schmitt
Jasper R. Smith
F.D. Winchester

The meeting was called to order and a quorum was ascertained.

By motion of the chairman, and with no objection by the committee, the minutes of the meetings of June 8-9, 1973, and June 13-16, 1973, were adopted. Discussion was continued on CC-235 Revised, the Subcommittee on Revenues Other Than Property Taxes' proposal.

Delegate Newton offered an amendment to Section 5, paragraph (B), page 2, deleting the words "leases or rights" in the third sentence of Delegate Edwards' amendment that was adopted. Delegate Newton's amendment failed with a 10-7 vote by the committee.

Delegate Roemer offered an amendment to Section 5, paragraph (A) of CC-235 Revised to delete paragraph (A) and substitute in lieu thereof the following: "(A) Equal and uniform taxes may be levied upon net incomes, and such taxes may be graduated according to the amount of net income." Delegate Chehardy offered a motion to table Delegate Roemer's amendment which failed with an 8-8 vote by the committee. Delegate Roemer's amendment carried with a 10-8 vote by the committee.

Delegate Alario offered an amendment to Section 5, page 2, paragraph (A) of CC-235 Revised to delete paragraph (A) and substitute in lieu thereof the following: "Equal and uniform taxes may be levied upon net incomes, and such taxes may be graduated according to the amount of net income, provided the state individual income tax rate on the first $10,000 of taxable income for single return or $20,000 of taxable income for joint return shall not exceed two percent." This amendment carried with a 15-3 vote by the committee.

After a recess for lunch, the committee reconvened at 1:30 p.m. to continue discussion of CC-235 Revised.

Delegate Chehardy offered an amendment to Section 5, page 3, paragraph (D) of CC-235 Revised to delete paragraph (D) and insert in lieu thereof the following: "(D) The tax imposed by the state upon the sale at retail, the use, the consumption, the distribution, and the storage for or consumption in this state, of each item of tangible personal property shall not be greater than three percentum; provided, however, this tax shall not be levied upon drugs prescribed by a physician for personal consumption or use, and upon food purchased for personal consumption off of the premises where purchased." Delegate Roemer offered a substitute motion to defer action on this amendment pending a report on the cost involved in enacting it. The substitute motion carried with a 14-2 vote by the committee.

Delegate Chehardy offered another amendment to Section 5, page 3, paragraph (D) of CC-235 Revised which would read as the previous amendment made by himself except the words "in an amount greater than two percentum" would be added on the last line after the word "purchased". Delegate Smith then offered a substitute motion to table this amendment until a report could be presented on the cost involved. The substitute motion carried with a 12-4 vote by the committee.

Delegate Brown offered a motion to request Mr. Triage, collector of revenue, to have one of his staff to be present at all of the committee's meetings to answer any questions the delegates may have. There being no objection, it was so ordered.

The committee decided to defer action on adopting Section 5 as amended to give the staff time to prepare it.

Delegate Brown, chairman of the Subcommittee on Public Finance presented their report, CC-234 Revised, to the committee at this time. Delegate Mire offered a motion to adopt the report section by section. There being no objection, it was so ordered.

Chairman Brown moved the adoption of Section 1 of CC-234 Revised. There being no objection, it was so ordered.

Delegate Alario offered an amendment to Section 2, paragraph (B) on page 5 of CC-234 Revised to strike out the words "a simple " at the end of line 23 and at the beginning of line 24 strike out the word "majority" and insert in lieu thereof the words "two-thirds". This amendment was adopted with no objection.

Delegate Alario offered an amendment to delete the following on lines 25-30 of Section 2, paragraph (B) on page 5 of CC-234 Revised: "provided, however, the written consent of two-thirds of the members elected to each house of the legislature shall be obtained during the period after final adjournment of the regular session of the legislature in the last year of the term of office of a governor and the next regular session of the legislature,". This amendment was adopted with no objection.
Chairman Brown moved the adoption of Section 2 of
CC-234 Revised. There being no objection, it was so ordered.

Delegate Champagne offered an amendment to Section 4
of CC-234 Revised on page 9 to delete the words "twenty-five
years" and substitute in lieu thereof the words "a maximum
of thirty years" and delete after the word "contracted" on
line 2 the remainder of the paragraph. The amendment failed
with a 14-3 vote by the committee.

Delegate Lowe then offered an amendment to Section 4 of
CC-234 Revised to delete it in its entirety. The amendment
was carried with a 10-7 vote by the committee.

Delegate Smith offered a motion for the adoption of
Section 5 of CC-234 Revised. Delegate Nunez offered a
substitute motion to delete Section 5. The substitute motion
failed with a 9-8 vote by the committee. Delegate Smith's
motion carried with a 9-6 vote by the committee.

Delegate Mire offered a motion to reconsider Section 3
of CC-234 Revised. There being no objection, it was so ordered.

Delegate Conroy moved the adoption of Section 3. Chairman
Rayborn offered a substitute motion in the form of an amendment
to Section 3 on page 7 of CC-234 Revised deleting the words
"state revenue" on line 29 and at the beginning of line 30,
delete the word "receipts" and insert in lieu thereof the
words "revenues from state sources." Chairman Rayborn's
amendment carried with a 14-1 vote by the committee. Delegate

Conroy restated his motion to adopt Section 3 as amended.
This motion carried with a vote of 10-5 by the committee.

Delegate Slay requested a leave of absence for Friday,
June 29, 1973. It was granted by the chairman.

Delegate Newton offered a motion for adjournment at
4:30 p.m.

The committee reconvened at 10:00 a.m., June 29, 1973,
in Committee Room 5 of the State Capitol. Sen. Rayburn,
chairman of the Committee on Revenue, Finance and Taxation
presided and the following delegates were present:

**PRESENT:** John A. Alario, Jr.  
Mrs. Carolyn Badeaux  
Sen. James Brown, Jr.  
Walter Champagne  
Lawrence Chachere  
David Conroy  
Sen. J.D. De Blieux  
Frank Edwards, Jr.  
Clyde Fontenot  
Herman "Monday" Lowe  
J.A. McDaniel  
Dr. Claude Mauberret, Jr.  
Pegras Mire  
Audley B. Newton  
Sen. Samuel Nunez, Jr.  
A.J. Planchar  
Charles E. Roemer, III  
Earl J. Schmitz  
Jasper K. Smith  
P.D. Winchester

The meeting was called to order and a quorum was
ascertained. Delegate McDaniel offered a motion to conclude
the business for the day and adjourn until, July 5, the date
of the convening of the whole convention.

The chairman introduced two speakers to make presentations
before the committee—Mr. James Graugnard, president of the
Louisiana Farm Bureau Federation and Mr. Louis Curet, the
association's attorney. They urged the committee's favorable
consideration of the Greenbelt Laws.

Delegate Nunez offered an amendment to CC-235 Tentative
Final Draft, Section 4, on page 3, to add a paragraph (D) on
line 11 to read as follows: "Three-fourths of the timber

severance tax, one-third of the sulphur severance tax, one-fifth
of the severance tax on all other natural resources severed
from the soil or water, and one-tenth of the royalties from
mineral leases on state-owned property shall be remitted to
the governing authority of the parish in which severance occurs
or in which production is had, except, the amount of severance
tax on sulphur so remitted shall not exceed one hundred thousand
dollars to any parish for any year and the amount of severance
tax on all other natural resources severed from the soil or
water so remitted shall not exceed two hundred thousand dollars
to any parish for any year." This amendment carried with a
12-4 vote by the committee.

The Subcommittee on Public Finance's chairman, Delegate
Brown, then continued with their proposal, CC-234 Revised.
Delegate Newton offered an amendment to Section 6, page 10,
line 24 to add the following words after the words "Section 6.":
"Except as otherwise provided by the legislature.". This
motion failed to carry with a vote of 12-2 by the committee.

After a recess for lunch, the committee reconvened at
1:30 p.m. and continued discussion of CC-234 Revised.

Delegate Roemer offered a motion to adopt paragraph (C)
of Section 7. Delegate Fontenot offered a technical amendment
to the paragraph to change on line 33 the word "dumb" to the
word "mute". There being no objection to the adoption of
the paragraph, it was so ordered.

Delegate Edwards offered an amendment to paragraph (C)
of Section 7 on page 12, line 16 to add at the beginning
the following words: "Except as otherwise provided in this
constitution,". This amendment carried with a 17-1 vote by

the committee.

Delegate Alario offered a motion for the adoption of
paragraph (D) retaining the first sentence only and deleting
the remainder of the paragraph. The motion carried with a
vote of 10-6 by the committee. Delegate Roemer moved the
adoption of Section 7 in its entirety as amended. There
being no objection, it was so ordered.

Delegate McDaniel offered an amendment to Section 6, on
page 10 of CC-234 Revised to add on line 29, after the word
"otherwise" the following: "and except money received by
Delegate Edwards offered a substitute amendment to insert on line 25 of Section 6 the following after the word "commission": "except dues, contributions, and/or membership fees of professional or trade organizations and license fees of governing boards or commissions." The substitute amendment failed to carry with a vote of 11-7 by the committee. The original amendment carried with a vote of 17-1 by the committee.

Delegate Lowe offered an amendment to Section 6 on page 10 of CC-234 Revised, line 24 to insert after the words "Section 6.", and before the word "All" the following: "Unless excluded by affirmative vote of two-thirds of members elected to each house of the legislature." The amendment failed to carry with a 13-4 vote by the committee.

Delegate Fontenot moved the adoption of Section 6. There being no objection, it was so ordered.

Delegate Smith moved the adoption of Section 8. There being no objection, it was so ordered.

Delegate Roemer offered an amendment to Section 9, on page 13 of CC-234 Revised, line 23 to insert after the word "record" the following: "except taxpayers' returns and matters pertaining thereto." There being no objection, the amendment was adopted. Delegate Roemer then moved the adoption of Section 9 of CC-234 Revised. There being no objection, it was so ordered.

Delegate Mire moved the adoption of Section 10. There being no objection, it was so ordered.

Delegate Roemer offered an amendment to Section 11, page 13 of CC-234 Revised as follows: on page 13, beginning on line 34 after the words "Section 11. (A)" delete the remainder of line 34 and line 35 on page 13. Also delete pages 14 and 15 and lines 1 and 2 of page 14. Beginning on page 13, line 34 after the words "Section 11. (A)" add the following: "The funds, credit, property or things of value of the state, or of any political corporation thereof, shall not be loaned, pledged, or donated to or for any person or persons, associations or corporations, public or private; nor shall the state nor any political corporation purchase or subscribe to the capital stock or stock of any corporation or association whatever, or for any private enterprise. (B) Nothing contained in this Section shall prevent intercooperation between the state and its political corporations nor between political corporations and the United States nor between the state or its political corporations and any public or private association or corporation or individual for a public purpose." Delegate Smith moved the adoption of the amendment. It carried with a vote of 12-4 by the committee.

Delegate Conroy offered an amendment to Section 12 on page 16 of CC-234 Revised, line 17 to add after the word "them" the following: "provided that whenever any immovable property shall have been forfeited or adjudicated to the state for the nonpayment of taxes due prior to January 1, 1880, and the state shall not have sold or disposed of same, nor dispossessed the tax debtor, or his heirs, successors or assigns, prior to the adoption of the Constitution of 1921, it shall be conclusively presumed that such forfeiture or adjudication was irregular and null, or that the property has been redeemed, and the state, and its assigns shall forever be estopped from setting up any title to such property by virtue of such forfeiture or adjudication." There being no objection, the amendment was adopted.

Delegate Roemer moved the adoption of Section 12 as amended. There being no objection, it was so ordered.

Delegate Roemer offered an amendment to Section 13, on page 16 of CC-234 Revised, line 32 to place a period after the word "statutes" and delete the remainder of the sentence. There being no objection, the amendment was adopted. Delegate Roemer moved the adoption of Section 13 as amended. There being no objection, it was so ordered.

Delegates Alario and Schmitt offered an amendment to Section 7, paragraph (A), at the end of line 10 of CC-234 Revised, to insert the following: "Appropriations made by the legislature shall not be greater than the anticipated revenues of the state." There being no objection, the amendment was adopted.

Delegate Roemer offered a motion that the committee adopt CC-234 Revised, the Subcommittee on Public Finance's proposal, as amended. There being no objection, it was so ordered.

Delegate Smith offered a motion for adjournment at 4:45 p.m. There being no objection, it was so ordered.
CONROY  yes
DE BIEUX  no
EDWARDS  yes
FONTENOT  yes
LOVE  yes
MAUBERRET  yes
MCDANIEL  no
MIZE  yes
MERTON  yes
MUNIZ  yes
PLANCHARD  yes
ROEMER  yes
RAYBURN  no
SCHMITT  no
SLAY  no
SMITH  no
TRICHE  x
WINCHESTER  yes

CARRIED 13-6

Motion by Brown to adjourn to let the Subcommittee on Revenues, Other Than Property Taxes meet and finish their report, and the whole committee would meet again Saturday at 10:00 a.m.

COMMITTEE ON REVENUE, FINANCE AND TAXATION
June 25 1973
Voting Record of Members

Substitute motion by Delegate Smith to proceed with discussion on the chart and proposal prepared by the Subcommittee on Revenues, Other Than Property Taxes.

YEARS
Alario
Badeaux
Conroy
Fontenot
Lowe
Mauberret
Mize
Newton
Planchard
Slay
Smith
Winchester
CARRIED 10-5

Substitute motion by Delegate Conroy to delete on lines 22 and 23 of page 1, Section 7, of CC-235 Revised, the words "and any increase in an existing tax" and insert in lieu thereof the words "any increase in an existing tax and any repeal of an existing exemption from a tax."

YEARS
Alario
Badeaux
Cheradly
Fontenot
Lowe
Mauberret
Mize
Newton
Planchard
Slay
Smith
Winchester
CARRIED 10-4

Substitute motion by Delegate Alario to adopt an amendment to Section 7 of CC-235 Revised, relative to Article VI, Section 2, paragraph 1 of the 1921 Constitution, to add at the end of line 13, page 4, after the word "Forestry" the following: ", shipbuilding, strawberry farming, shipping, fishing, crabbing, insulation board making, dairy farming, pirogue building, candy making, all forms of farming, funeral homes, and hospitals."

YEARS
Alario
Badeaux
Cheradly
Conroy
Lowe
Mauberret
Mize
Newton
Planchard
Rayburn
Schmitt
Smith
Winchester
CARRIED 9-6

Substitute motion by Delegate Conroy to delete on lines 22 and 23 of page 1, Section 7, of CC-235 Revised, the words "and any increase in an existing tax" and insert in lieu thereof the words "any increase in an existing tax and any repeal of an existing exemption from a tax."

YEARS
Alario
Badeaux
Cheradly
Fontenot
Lowe
Mauberret
Mize
Newton
Planchard
Slay
Smith
Winchester
CARRIED 10-3

Substitute motion by Delegate Alario to adopt an amendment to Section 7 of CC-235 Revised, relative to Article VI, Section 2, paragraph 1 of the 1921 Constitution, to add at the end of line 13, page 4, after the word "Forestry" the following: "", shipbuilding, strawberry farming, shipping, fishing, crabbing, insulation board making, dairy farming, pirogue building, candy making, all forms of farming, funeral homes, and hospitals."
### Substitute motion by Delegate Roemer to table Delegate Chehardy's motion to retain verbatim Article X, Section 1, paragraph 2, of the 1921 Constitution.

#### Motion by Delegate Lowe to adopt an amendment to Section 5, paragraph (A) of CC-235 Revised.

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#### Substitute motion by Delegate Roemer to table Delegate Chehardy's motion to adopt an amendment to Section 5, paragraph (A) of CC-235 Revised.

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#### Motion by Delegate Conroy to adopt an amendment to Section 5, paragraph (A) of CC-235 Revised.

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June 27, 1973

**COMMITTEE ON REVENUE, FINANCE AND TAXATION**

Substitute motion by Delegate Edwards to add to an amendment offered by Delegate Conroy to Section 5, paragraph (B) of CC-235 Revised. (see minutes for wording)

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<td>Brown</td>
<td>Champagne</td>
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<td>Champagne</td>
<td>Fontenot</td>
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<td>Chehardy</td>
<td>Mire</td>
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<td>Conroy</td>
<td>Nurse</td>
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<tr>
<td>Edwards</td>
<td>Planchard</td>
</tr>
<tr>
<td>Mauberret</td>
<td>Winchester</td>
</tr>
<tr>
<td>Smith</td>
<td></td>
</tr>
</tbody>
</table>

Substitute motion by Delegate Chehardy to table the motion made by Delegate Conroy to adopt an amendment to Section 5, paragraph (C) of CC-235 Revised.

<table>
<thead>
<tr>
<th>YEAS</th>
<th>NAYS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alario</td>
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<td>Mire</td>
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<td>McDaniel</td>
<td>Smith</td>
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<tr>
<td>Winchester</td>
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</tbody>
</table>

Original motion by Delegate Conroy to adopt the amendment offered by Delegates Rayburn, Chehardy, Alario, Nurse, Mire, Mauberret, Edwards, Winchester and Planchard.

<table>
<thead>
<tr>
<th>YEAS</th>
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<tr>
<td>Alario</td>
<td>Badeaux</td>
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<td>Mire</td>
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<td>McDaniel</td>
<td>Smith</td>
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<tr>
<td>Winchester</td>
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</table>

Original motion to adopt the amendment offered by Delegates Rayburn, et al. (see minutes for wording)

<table>
<thead>
<tr>
<th>YEAS</th>
<th>NAYS</th>
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<tbody>
<tr>
<td>Alario</td>
<td>Badeaux</td>
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<td>Chehardy</td>
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<td>Conroy</td>
<td>Edwards</td>
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<td>Edwards</td>
<td>Mauberret</td>
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<tr>
<td>Mire</td>
<td>Nurse</td>
</tr>
<tr>
<td>McDaniel</td>
<td>Rayburn</td>
</tr>
<tr>
<td>Winchester</td>
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</tbody>
</table>
June 28, 1973

COMMITTEE ON REVENUE, FINANCE AND TAXATION

Motion by Delegate Newton to adopt an amendment to Section 5, paragraph (B) of CC-235 Revised. (see minutes for wording)

YEAS

Radeaux  Chehardy  Mire  Newton  Roemer  Schmitt

NAYS

Badeaux  Brown  Champagne  Conroy  McDaniel  Rayburn  Smith  Winchester

CARRIED 14-2

Moti5on by Delegate Smith to table the amendment offered by Delegate Chehardy to Section 5, paragraph (D) of CC-235 Revised. (see minutes for wording of amendment)

YEAS

Alario  Brown  Champagne  Conroy  Lowe  McDaniel  Mauberret  Mire  Newton  Planchar  Roemer  Smith  Winchester

NAYS

Champagne  Conroy  Lw  McDaniel  Mauberret  Mire  Newton  Planchar  Roemer  Schmitt  Smith  Winchester

CARRIED 12-4

Motion by Delegate Champagne to adopt an amendment to Section 4 of CC-234 Revised. (see minutes for wording of amendment)

YEAS

Champagne  Conroy  Nunez

NAYS

Badeaux  Brown  Chehardy  Edwards  Mauberret  Mire  Planchar  Roemer  Smith  Winchester

CARRIED 3-14

Motion by Delegate Alario to adopt an amendment to Section 5, paragraph (A) of CC-235 Revised. (see minutes for wording)

YEAS

Alario  Brown  Champagne  Conroy  McDaniel  Newton

NAYS

Badeaux  Chehardy  Mire  Nunez  Rayburn  Roemer  Schmitt  Smith  Winchester

CARRIED 15-3

Motion by Delegate Roemer to table the amendment offered by Delegate Chehardy to Section 5, paragraph (D) of CC-235 Revised. (see minutes for wording of amendment)

YEAS

Alario  Badeaux  Chehardy  Mire  Nunez  Winchester

NAYS

Brown  Champagne  Conroy  McDaniel  Rayburn  Smith

CARRIED 8-9
Original motion by Delegate Smith to adopt Section 5 of CC-234 Revised.

YEAS
Brown
Conroy
Lowe
McDaniel
Mire
Planchard
Roemer
Smith

CARRIED 9-6

Motion by Delegate Rayburn to adopt an amendment to Section 3 of CC-234 Revised. (see page 24 of minutes for wording)

YEAS
Alario
Badeaux
Brown
Champagne
Conroy
McDaniel
Mire
Newton
Planchard
Rayburn
Roemer
Smith

CARRIED 14-1

Motion by Delegate Conroy to adopt Section 3 of CC-234 Revised as amended.

YEAS
Badeaux
Brown
Champagne
Conroy
McDaniel
Mire
Newton
Planchard
Rayburn
Smith

CARRIED 10-5

Motion by Delegate Newton to adjourn.

YEAS
Alario
Badeaux
Brown
Champagne
Conroy
McDaniel
Mire
Newton
Nunez
Planchard
Roemer
Winchester

CARRIED 12-2

COMMITTEE ON REVENUE, FINANCE AND TAXATION
June 29, 1973

Motion by Delegate Nunez to adopt an amendment to Section 4 of CC-235 Tentative Final Draft. (see page 27 of minutes for wording)

YEAS
Alario
Badeaux
Champagne
Conroy

NAYS
De Blieux
Nunez
Planchard
Roemer
Smith
Winchester

CARRIED 12-4

Motion by Delegate Newton to adopt an amendment to Section 6 of CC-234 Revised. (see page 27 of minutes for wording)

YEAS
De Blieux
Newton

NAYS
Alario
Badeaux
Champagne
Conroy
Edwards
Fontenot
McDaniel
Planchard
Roemer
Schmitt
Smith
Winchester

FAILED 12-2

Motion by Delegate Edwards to adopt an amendment to paragraph (C) of Section 7 of CC-234 Revised. (see page 27 of minutes for wording)

YEAS

NAYS
Alario
Badeaux
Champagne
Conroy
Fontenot
McDaniel
Planchard
Roemer
Schmitt
Smith
Winchester

Motion by Delegate Alario for the adoption of an amendment to paragraph (D) of Section 7 of CC-234 Revised. (see page 28 of minutes for wording)

YEAS
Alario
Champagne
Chehardy
De Blieux
Lowe
Mauberret
Mire
Newton
Planchard
Roemer
Schmitt
Smith
Winchester

CARRIED 17-1

Substitute motion by Delegate Edwards to Delegate McDaniel's amendment. (see wording of both amendments on page 28 of minutes)

YEAS
Alario
Badeaux
Champagne
Conroy
De Blieux
Fontenot
Lowe
McDaniel
Newton
Smith

NAYS

CARRIED 10-6

YEAS

NAYS
Alario
Badeaux
Champagne
Conroy
De Blieux
Fontenot
Lowe
McDaniel
Newton
Schmitt
Smith

FAILED 7-11

[363]
Original motion by Delegate McDaniel on his amendment to Section 6 of CC-214 Revised. (see page 28 of minutes for wording)

YEARS

NAYS

YEARS

NAYS

4.67. additional levy of the very 4.6% is assessed the port to levy a 2-1/2 mill tax for five years, as embodied in Act 369 of 1950, this extended to fifteen years in Act 369 of 1970.

From the foregoing summary it is plain the Lake Charles Port, which has received the benefit of a 2-1/2 mill property tax available for bond muido 15 years, and for any other general port purposes, as embodied in R.S. 34:209, would be stripped of any authority to levy and collect any such tax without Article XIV, 30.1.

Article 6-A, 4c gasoline tax authorized as additional tax, defined in detail in 6-A, paragraph 1, consisting of two pages; 6-A, paragraph 5, 2-1/2 pages, makes allocation of tax.

In Article 6-A, paragraph 5/20th of this tax is levied specifically in favor of the Port of Lake Charles. Other allocations are made to the New Orleans Port and to the Highway purposes, as spelled out in detail therein.

Article 6-A, paragraph 1 levies the tax and determines exactly how the tax is to be assessed and collected.

Article 6-A, paragraph 5 makes an allocation of the tax to several beneficiaries, including the Highway Commission, the New Orleans Port and the Lake Charles Port. The Lake Charles port is 1/20th of the amount received from the tax, and at the present time is approximately the sum of $700,000 yearly.

Both the 2-1/2 mill tax and the gasoline tax, together with the net income, are presently serving as the basis for the issuance of approximately 14 million dollars in bonds, recently approved and sold by the State Bond Commission at a very favorable interest rate.

It is plain beyond question that Article 6-A, paragraphs 1 and 5 must be retained in the new Constitution, just as written.

Tax Exemption

Article X, Section 4, sub-naraaeranhs 10(a), 10(b), 19(c), insuring cargoes in transit freedom from State taxes, whether as imports to State of Louisiana, or as cargoes in transit in inter-state commerce, or as cargoes located upon docks in Louisiana, very necessary to give Louisiana ports competition with Mobile and Texas ports where similar tax exemption is allowed.

Lake Charles Port created by Act 67 of 1924; thereafter, amended many times and reduced to R.S. 34:201, et seq. R.S. 34:201, et seq. includes R.S. 34:209, which empowers the Port to levy a 2-1/2 mill tax for five years, as embodied in Act 369 of 1950, this extended to fifteen years in Act 369 of 1970.

The following information was received today from TIPRO, Austin, Texas:

1. Severance Tax:
   - Gas
     - 7.5% of wellhead value
   - Condensate
     - 6.5% of prevailing price in area
   - Oil
     - 4.6% of market value, plus regulation which is 3/10c per barrel

   MEMORANDUM...To: President Earl H. Willis
   RE: TEXAS TAXES ON OIL AND GAS

   The following information was received today from TIPRO, Austin, Texas:

   1. Severance Tax:
      - Gas
        - 7.5% of wellhead value
      - Condensate
        - 6.5% of prevailing price in area
      - Oil
        - 4.6% of market value, plus regulation which is 3/10c per barrel

   [364]
2. Total amount collected last full year (9/1/71 - 8/31/72):
   - Crude: $193,003,498
   - Gas & Distillate: $114,860,450
   - $307,843,948

3. Texas ad valorem tax rate in 1972 - $.27 per $100 valuation
   Ad valorem tax was abolished in 1969.
   In 1973, it was $.22 per $100 valuation. It will continue to decrease by $.05 per year until 1977, then it will hold at $.10 per year until all college bonds are paid off.

4. Henceforth, the man you should call is Mr. G. G. Edgar, Assistant Director, Oil and Gas, Tax Division, State of Texas in Austin.
   (AC 512-475-3341)

   [Signature]
   Executive Director

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STATE OF LOUISIANA
DEPARTMENT OF REVENUE
Baton Rouge 70804

June 29, 1973

The Honorable E. B. Rayburn, and Members, Committee on Revenue, Finance and Taxation

Gentlemen:

Based upon your request of June 28, 1973, I am assigning a member of my staff, Mr. Colden Mills, to the Committee for the purpose of securing any information the Committee might desire on state revenue and taxation questions.

I personally am available to meet with the Committee at any time that the Committee should deem such an appearance beneficial.

Sincerely,

[Signature]
Collector of Revenue
World Port Tonnage
As of 1970
U.S. DEPARTMENT OF COMMERCE • Maritime Administration

Based on Total Volume of All Types of Cargo Handled in Waterborne Commerce at 30 Selected World Ports.

<table>
<thead>
<tr>
<th>Order</th>
<th>Ports</th>
<th>Total All Cargo (short tons(^1))</th>
<th>Order</th>
<th>Ports</th>
<th>Total All Cargo (short tons(^1))</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Rotterdam, Neth.</td>
<td>241,560,000</td>
<td>16</td>
<td>Chicago, Ill.</td>
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</tr>
<tr>
<td>2</td>
<td>New York, N.Y.</td>
<td>174,008,108</td>
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<td>Singapore</td>
<td>46,420,000</td>
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<tr>
<td>3</td>
<td>New Orleans, La.</td>
<td>123,674,208</td>
<td>18</td>
<td>Baton Rouge, La.</td>
<td>45,535,281</td>
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<tr>
<td>4</td>
<td>Kawasaki, Jap.</td>
<td>91,426,074</td>
<td>19</td>
<td>Milford Haven, Eng.</td>
<td>44,000,000</td>
</tr>
<tr>
<td>5</td>
<td>Antwerp, Bel.</td>
<td>80,322,330</td>
<td>20</td>
<td>Willemstad, Neth. Ant.</td>
<td>43,800,000</td>
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<tr>
<td>6</td>
<td>Marseilles, Fr.</td>
<td>68,200,000</td>
<td>21</td>
<td>Duluth/Sup. Minn./Wis.</td>
<td>42,758,965</td>
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<tr>
<td>7</td>
<td>Nagoya, Jap.</td>
<td>67,236,060</td>
<td>22</td>
<td>Le Havre, Fr.</td>
<td>41,250,000</td>
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<tr>
<td>8</td>
<td>London, Eng.</td>
<td>67,100,000</td>
<td>23</td>
<td>Tokyo, Jap.</td>
<td>35,000,000</td>
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<tr>
<td>9</td>
<td>Yokohama, Jap.</td>
<td>66,635,800</td>
<td>24</td>
<td>Southampton, Eng.</td>
<td>33,012,753</td>
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<td>10</td>
<td>Houston, Tex.</td>
<td>64,654,263</td>
<td>25</td>
<td>Toledo, Ohio</td>
<td>31,932,493</td>
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<td>11</td>
<td>Genoa, It.</td>
<td>58,828,420</td>
<td>26</td>
<td>Tampa, Fla.</td>
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<td>13</td>
<td>Hamburg, W. Ger.</td>
<td>52,690,000</td>
<td>28</td>
<td>Amuay Bay, Venez.</td>
<td>30,800,000</td>
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<tr>
<td>14</td>
<td>Philadelphia, Pa.</td>
<td>52,224,396</td>
<td>29</td>
<td>Beaumont, Tex.</td>
<td>30,480,706</td>
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<td>15</td>
<td>Baltimore, Md.</td>
<td>51,084,394</td>
<td>30</td>
<td>Portland, Me.</td>
<td>30,016,945</td>
</tr>
</tbody>
</table>

\(^1\) Based on total of all cargo, both foreign and domestic.
\(^2\) Tons of 2,000 lb.

From the Desk of

EDWARD S. REED
Executive Port Director
and General Manager

Thought you would be interested in the worldwide rank of two of Louisiana's three "world ports" as reported by the U.S. Department of Commerce - Maritime Administration - in a current release.
HISTORICAL NOTE

The Board of Commissioners of the Port of New Orleans was created pursuant to Acts of the General Assembly of 1896, No. 70. The law-making body of Louisiana amended the original Act on numerous occasions; and the Louisiana Constitution also produced many changes in the original Act. The Louisiana Revised Statutes of 1950, Title 34, Section 1, et sequitur, repealed Acts 1896, No. 70, as amended, and reorganized and redefined the entire statutory body of the law pertaining to the establishment, organization and government of the Board of Commissioners of the Port of New Orleans.

The original of Acts 1896, No. 70, is reproduced below for historical purposes only.

"To establish a commission for the Port of New Orleans; to define their powers and duties; to provide a revenue therefor; and to repeal conflicting laws.

Whereas, the Port of New Orleans, has been gradually extended until it has reached beyond the limits and jurisdiction of the City of New Orleans; and

Whereas, the divided authority of three Parishes and the multiplicity of officials with their various fees, and the development of contiguous rival Ports will act injuriously and prejudicially to the traffic of the Port; and

Whereas, the tax on shipping exacted for various fees, charges, etc., is of such proportions as to threaten to divert the trade to less expensive ports; and

Whereas, the supervision and control of an intelligent Board of State Commissioners can consolidate the services of Harbor Masters and Wardens, Wharf Superintendents, Wharfingers of three Parishes into one set of competent employees at a reduced expense; can operate and improve the wharves and other terminal facilities of the Port and greatly develop and expand its commerce by removing many of the obstacles now placed in the way of its advancement; and

Whereas, due public notice of the intention to apply for the passage of this act has been given as required by Article 48 of the Constitution, therefore

Section 1. Be it enacted by the General Assembly of the State of Louisiana, That the Governor of the State of Louisiana is hereby authorized to appoint a Board of Commissioners to be known as the "Board of Commissioners of the Port of New Orleans," said Board to consist of Five members, who shall be citizens of the United States and reside within the Port limits of New Orleans in the Parishes of Orleans, Jefferson, or St. Bernard, and at the time of their appointment must be prominently identified with the Commerce or business interests of the Port of New Orleans. One of said commissioners shall be appointed for a term of three years, one for four years, one for five years, one for six years and one for seven years. At the expiration of their term their successors shall be appointed by the Governor for a period of five years each. The Board shall have the power to fill the unexpired term should any vacancy occur through death, resignation or other cause.

Section 2. Be it further enacted, etc., said Board of Commissioners shall have power to regulate the commerce and traffic of the Harbor of New Orleans in such manner as may in their judgment be best for its maintenance and development.

ANNEX 22-1922

Prepared For:

COMMITTEE ON REVENUE, FINANCE, AND TAXATION
LOUISIANA CONSTITUTIONAL CONVENTION

By:

Emile Comb
Executive Director
Louisiana Catholic Conference
1100 Chartres Street
New Orleans, Louisiana 70116

The Committee on Revenue, Finance, and Taxation announced two weeks ago that it favored a constitutional provision under which nonprofit hospitals would be exempted from payment of state taxes.

We wish to call to your attention the fact that a number of other non-profit institutions, such as nursing homes, homes for the aged, orphanages and the like, also provide services to the community at large and should also be included in the proposed exemption.

Within the last two years the State Department of Revenue and the State Tax Commission have begun taxing nursing homes, including those which are nonprofit and which raise private funds to care for the indigent. Because they are not specifically exempt from taxes under the present Constitution, the state now takes the position that they are taxable even though they have been exempt for decades.

We urge, therefore, that this Committee specifically exempt nonprofit institutions which provide for the care of the citizens of the state and we recommend the attitude urged, which would be an extension of the policy already adopted with regard to hospitals alone.

SUGGESTED AMENDMENT TO PARAGRAPH 2, SECTION 5, ARTICLE 10

CONSTITUTION OF 1921

Change language of line 4, Section 2, to read:

"Places devoted to charitable undertakings, including that of such organizations as hospitals, nursing homes, homes for the aged, convalescent and rehabilitation facilities, institutions for treatment and care of the physically and mentally handicapped or retarded, orphanages, child and/or day care centers, mental and/or physical rehabilitation and treatment facilities, and any other nonprofit institution as defined herein, which may be licensed or subject to license or supervision by the State of Louisiana."

Add to Section 4, paragraph 2 a sub-paragraph as follows:

"Within the meaning of this Section, the term 'non-profit institution' or charitable undertaking shall mean and include any and all institutions, private corporations or facilities which are or shall be exempt from federal income taxation."

ANNEX 26-1922

Prepared For:

COMMITTEE ON REVENUE, FINANCE, AND TAXATION
LOUISIANA CONSTITUTIONAL CONVENTION

By:

Emile Comb
Executive Director
Louisiana Catholic Conference
1100 Chartres Street
New Orleans, Louisiana 70116

This Committee, according to a report we have read, has agreed to retain Article 4, Section 8 of the Constitution of Louisiana. This is the section which says, in essence, that no state funds shall ever be used -- directly or indirectly -- to aid any religion or for any private or benevolent purpose. A copy of that section of the Constitution is attached.

This is not wisdom and it is in this section of the Constitution. In the first place it is wise to provide that the State shall not aid any church or discriminate against any church. But it is folly to say that the state cannot appro...
private funds for private and charitable purposes, particularly since the state has been ignoring that provision for years. Both the state as a body politic and its citizens as individuals are the beneficiaries of scores of programs under which state and private funds are co-mingled and channeled through private institutions which perform community services.

Because of the limitations of time I will not enumerate all such programs under which the state appropriate funds for special services performed by private agencies, including agencies and institutions operated by religious bodies. Following, however, are examples of state and private cooperative efforts.

The State Welfare Department and the State Department of Corrections do not have the facilities necessary to care for dependent, neglected and wayward children. These departments therefore pay for a portion of the cost of care for such children in institutions like the Sellers Baptist Home and Adoption Center, New Orleans; Methodist Children's Home, Ruston; Lutheran Welfare Association of the South, New Orleans; Volunteers of America, Baton Rouge; Asionic Home for Children, Alexandria; Volunteers of America, New Orleans; White's Ferry Road Church of Christ Children's Home, West Hvuies, Madonna Manor, Hope Haven, St. Vincent Foster and Maternity Home, all in New Orleans; Blandon Home, Baton Rouge; and Acadian Baptist Academy, Crowley. These institutions give of their own facilities and funds to pay for costs over and above what Louisiana pays for children who are wards of the state.

But a strict interpretation of Article 4, Section 8 would prohibit such payments by the state for this private care. The state and its people would be the losers.

No aid direct or indirect would mean, too, that the State would have to stop paying for care for children in the Crippled Children's Hospital in New Orleans, a one-of-a-kind institution which is indispensable to the welfare of children in Louisiana to Flint-Heartwood Hospital, a private hospital for Negroes in New Orleans; Sara Mayo Hospital; to the Eye, Ear, Nose and Throat Hospital, a highly specialized institution, and others.

Private and sectarian hospitals across the state participate in the state's medical assistance program and in the last fiscal year almost $6 million was paid directly to such nonprofit, private hospitals. If the aid is direct or indirect it matters not, according to the wording of Article 4, Section 8.

In 1972, again in cooperation with private agencies, the state paid out $1.1 million for foster care. A total of $650,000 went to out-of-state institutions and some $435,000 was paid to institutions in Louisiana. No aid direct or indirect certainly would mean that the state could not pay for the care of the foster children in private institutions and homes, including those mentally disturbed children who are sent to specialized institutions offering service.

state itself does not provide.

The state, in a very direct way, even pays for religion. Under the 1912 state budget Louisiana paid out $65,000 to chaplains of many denominations in state hospitals. Similarly, it paid the chaplains at correctional institutions, knowing that the sick and the imprisoned are in special need of counsel and aid. But the Constitution says that the state may not aid any priest, preacher, minister, etc.

The state does not have sufficient facilities for all the retarded children who must be cared for in Louisiana. Therefore, it contracts with private and sectarian institutions for the care of these exceptional children. How would no aid direct or indirect affect these children?

And what will become of the elderly? No aid direct or indirect would prohibit the state from continuing its assistance under which private and sectarian nursing homes receive funds for the care of nursing home patients. The state, itself, has no such homes.

There are many other programs of a similar nature, with the state providing for its people through private institutions.

The legislature and the Executive Department of this state, in their wisdom and with guidelines set by various court cases, have determined where to provide aid, and where to draw the line. They have found the state's purposes to be served more wisely and more economically through the operation of such state-private cooperative programs as those outlined to you in this memorandum.

The state, as pointed out to you, has looked away from Article 4, Section 8, and determined how its people can best be served. We feel that the article should be dropped from the Constitution, knowing full well that there is more than adequate jurisprudence establishing what the state can and cannot do with regard to public aid for these private endeavors which serve the state and its citizens.

Besides, the Louisiana Constitution no doubt will carry a section on religious liberty defining the role of the state as regards religion. The Louisiana Catholic Conference recommended to another committee of the Constitution that the section on religious liberty be drafted so as to parallel the U.S. Constitution. The suggestion made by LCC was adopted by the Committee on the Bill of Rights and Election so that the proposal now reads:

"No law shall be enacted respecting an establishment of religion or prohibiting the free exercise thereof."

Court interpretations of this language over decades have established guidelines for interaction between the state and private agencies.

To repeat Article 4, Section 8 as written and as presently ignored by the State would be a useless gesture. To repeat Article 4, Section 8 with a view toward having it strictly enforced would be disastrous to private agencies which now are performing widespread community services for the good of the state and its citizens.

Public Funds: Prohibited Expenditure for Sectorial, Private, Charitable or Benevolent Purposes; State Charities; Religious Discrimination.

Article 4, Section 8

No money shall ever be taken from the public treasury, directly or indirectly, in aid of any church, sect or denomination of religion, or in aid of any priest, preacher, minister or teacher thereof, as such, and no preference shall ever be given to, nor any discrimination made against, any church, sect or creed of religion, or any form of religious faith or worship. Any appropriation from the State Treasury shall be made for private, charitable or benevolent purposes to any person or community; provided this shall not apply to the State Asylums for the insane, and the State schools for the deaf and dumb, and for hospitals, and for charity hospitals, and public charitable institutions conducted under State authority.

1. Constitutional Convention of Louisiana of 1973
2. SUBSTITUTE PROPOSAL NUMBER 1 of the Committee on Public, Finance, and Taxation
3. Introduced by Sen. James H. Brown, Chairman, Subcommittee on Public Finance
4. A PROPOSAL
5. For limitations on incurring of state debts for the collection, expenditure, and management of state funds.
6. PROPOSED AMENDMENT:
7. Article 4, Section 8:
8. Article 4, Section 1. State Debt: Full Faith and Credit Obligations
9. Section 1. (b) The state shall have no power to contract, directly or through any state board, agency, or commission, the incurring of debt or the issuance of
bonds secured by all or part of the revenues imposed and collected by the state except upon the affirmative vote of two-thirds the members elected to each house of the legislature, and then only if the funds are to be used to repel invasion; suppress insurrection; provide relief from natural catastrophes; refund outstanding indebtedness, but only if required by financial necessity or in order to obtain lower interest expense; or make capital improvements, but only in accordance with a comprehensive capital budget, which the legislature shall adopt.

(b) If the purpose is to make capital improvements, the nature, location, and if more than one project, the amount allocated to each and the order of priority shall be stated in the comprehensive capital budget which the legislature adopts.

(c) The full faith and credit of the state shall be pledged to the repayment of all bonds or other evidences of indebtedness issued by the state directly or through any state board, agency, or commission.

(d) The legislature, by two-thirds affirmative vote of the members elected to each house, may by joint resolution propose a public referendum for the issuance of debt for any purpose for which the legislature is not otherwise entitled to incur debt.

-2-

Section- Legislative discretion will determine refunding, amount, to (4) and (5) above. (Limit to (5) in amount, if a financial necessity or to obtain lower interest expense, is shown.)

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As amended by Acts 1965, No. 168, the following is provided:

"...nor shall it (prohibition against incurrence of state debt) apply to any state board, authority, commission or other state agency empowered by other constitutional authorization or to any law adopted by the legislature within the scope of any such other constitutional authorization; nor shall it apply to any state board, authority, commission or other state agency created by an act of the legislature with respect to any proposed debt to be incurred thereunder and any proposed bonds..."
to be issued in connection therewith

where secured solely from the revenues

of the project."  Louisiana Constitution

of 1921, Art. IV, §2 as amended by Acts

1965, No. 168. (Explanation in paren-
theses supplied)

The language quoted above providing exceptions for

certain state boards, agencies, and commissions purposely

was omitted from this Section with the intention of alter-
ing existing law. Under this Section no state debt can

be incurred directly or through any state board or state
agency except upon affirmative vote of two-thirds of the
members elected to each house of the legislature and then
only for the five purposes enumerated herein. This change
in the law should allay fears of some bond rating services
that the state might revert to complicated bonding
practices as a result of loopholes in the present law,
allowing exceptions to prohibition against issuance of
state debt.

Under Louisiana Constitution of 1921, Art. IV, §7,

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the above quoted exception in conjunction with other con-
stitutional provisions authorizes issuance of bonds sup-
ported by the full faith and credit of the State by

various agencies such as Port of New Orleans (Louisiana
Constitution of 1921, Art. VI, §16 et seq.). Omission
from this Section of the above quoted exception is in-
tended to alter existing law so that only bonds supported
by the full faith and credit of the state may be issued
and then only by affirmative vote of two-thirds of the

elected members of each house of the legislature.

Section 2. State Debt; Interim Emergency Board

Section 2. (A) The Interim Emergency Board hereby
is created and shall be composed of the governor, the
state treasurer, the legislative auditor, the chairman
of the Senate Finance Committee, and the chairman of the
House Appropriations Committee, or their designees.

(B) During the interim between sessions of the legis-
slature, whenever it is determined by majority vote of the
Interim Emergency Board that an emergency exists, and
then only for a purpose for which the legislature may ap-
propriate funds under this constitution, after having ob-
tained, as provided by law, the written consent of a simple
majority of all members elected to each house of the
legislature, provided however, the written consent of

two-thirds of the members elected to each house of the
legislature shall be obtained during the period after
final adjournment of the regular session of the legis-
lature in the last year of term of office of a governor
and the next regular session of the legislature, the
Interim Emergency Board may appropriate from non-rents
in the State General Fund, un-certified by the legislature,
or borrow upon the full faith and credit of the state an
amount to care for an emergency, which is an event or
occurrence not reasonably anticipated by the legislature.

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(C) The total amount of indebtedness outstanding at
any one time under the authority of this Section shall
not exceed one-twelfth of one percent of total state revenue
receipts for the previous fiscal year.

(D) Each fiscal year as a first priority there hereby
is allocated from the State General Fund an amount suf-
cient to pay any indebtedness incurred during the pre-
ceeding fiscal year under the authority of this Section.

Source: La. Const. Art. IV, §§1(a) and 17 (1921).

Comment: The Board of Liquidation of the State Debt, created
pursuant to Louisiana Constitution of 1921, Art. IV, §1(a),
is abolished; the Interim Emergency Board is created with
powers, duties, and functions different from the Board of
Liquidation of the State Debt.

Under this Section it is intended the Interim Emer-
geny Board is authorized to appropriate from any surplus
in the State General Fund or to borrow upon the full faith
and credit of the state only if the following conditions
are met;

(1) Certification by the board that there exists an
emergency, which is an event or occurrence not reasonably
anticipated by the legislature;

Note: It is not intended the Interim Emergency
Board shall have authority to appropriate
from a surplus in the State General Fund
or to borrow upon the full faith and credit
of the state for any cause which already
has been considered by the legislature
or which reasonably could have been for-
seen by the legislature.

(2) Present of written consent by two-thirds of all
members elected to each house of the legislature, provided
that written consent of two-thirds of members elected to

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each house of the legislature is required during the
period between final adjournment of the regular session
of legislature in the last year of term of office of a
governor and the next regular session of the legislature.

Note: During the time period specified, requirement
of two-thirds vote is intended to make more dif-
ficult action by lame-duck legislature.

(3) The emergency shall be for a purpose for which
the legislature may appropriate funds under this constit-
ution;

(4) The total amount of indebtedness outstanding
at any time under the authority of this Section shall
not exceed one-twelfth of one percent of total state revenue
receipts for the previous fiscal year.

Note: "Total state revenue receipts" is intended to in-
clude all revenue receipts, whether or not a
tax nature. Therefore, inclusive are federal
grants, mineral revenues, etc.
Section 3. State Debt: Maximum Debt Service Expenditure

Section 3. The legislature shall enact no law authorizing the issuance of state debt, whether contracted directly by the state or indirectly through a state board, agency, or commission, if the issuance of the indebtedness would result in total annual debt service requirements on all state obligations, whether outstanding or authorized and unissued, exceeding an amount fifteen percent of the average annual state revenue available for debt service receipts for the preceding three years.

Source: New

Comment: Under this Section, total state indebtedness, whether contracted directly by the state or through any state board, agency, or commission, and whether outstanding, authorized and unissued, or proposed, shall not result in total annual debt service requirements exceeding fifteen percent of the average annual state revenue available for debt service receipts for the preceding three years.

As used in this Section, "total state revenue" means funds available for debt service, including, but not limited to, tax collections, net federal funds available for debt service, and other state revenues. "Total state revenue," as used in this Section, shall not include funds derived from within the state or from outside the state and not derived from within the state.

No obligations, regardless of the manner of issuance, are authorized, issued, or sold without prior written approval of the State Bond Commission.

Any state or political subdivision of the state may be authorized, issued, or sold without prior written approval of the State Bond Commission.

A state or political subdivision of the state shall not be authorized, issued, or sold without prior written approval of the State Bond Commission.

The State Bond Commission, which under present law is a statutory commission, has been, by legislative action, granted constitutional status. Membership of the commission shall be determined by the legislature.

No bonds or other obligations of the state or any political subdivision of the state shall be issued or sold without prior written approval of the State Bond Commission. It is intended for this requirement to be applicable irrespective of the manner of the security involved, i.e., whether obligation is supported by full faith and credit of state, full faith and credit of a political subdivision of state, or by revenue bonds issued by political subdivisions.

Since the financial status of the state is affected not only by state indebtedness but also by indebtedness of the state's political subdivisions, to promote financial stability and fiscal responsibility it is the intention of this Section to require approval of the State Bond Commission of the issuance or sale of all obligations by the state and its political subdivisions.

Section 4. State Debt: Maximum Time for Repayment

Section 4. Any bonded debt contracted by the state, directly or through any state board, agency, or commission, shall be repaid within twenty-five years from date contracted or within a period not to exceed a reasonably estimated useful life of the project for which the debt was created as stated in the law authorizing the issuance of debt for the project.

Source: New

Comment: This Section is intended to prevent the issuance of debt for a period of time exceeding the useful life of the project for which the debt is incurred. If there is no reasonable estimate of the useful life of the project in the law authorizing issuance of debt for the project, then the maximum term for repayment is 25 years. Under this Section it is intended future generations will not be burdened with obligations for which little, if any, benefit directly is received. Also this Section is intended to promote fiscal responsibility.

Section 5. State Debt: Political Subdivisions of the State; Issuance and Sale of Obligations; State Bond Commission: Approval Required

Section 5. (A) The State Bond Commission hereby is created and its membership shall be determined by the legislature.

(B) No bonds or other obligations shall be issued or sold by the state, directly or through any state board, agency, or commission, or by any political subdivision of the state, including but not limited to levee boards, school boards, police juries, municipalities, port and harbor commissions, drainage, sewage, and other special districts, unless prior written approval of the State Bond Commission is obtained.

Source: New

Comment: The State Bond Commission, which under present law is a statutory commission, is granted constitutional status. Membership of the commission shall be determined by the legislature.

No bonds or other obligations of the state or any political subdivision of the state shall be issued or sold without prior written approval of the State Bond Commission. It is intended for this requirement to be applicable irrespective of the manner of the security involved, i.e., whether obligation is supported by full faith and credit of state, full faith and credit of a political subdivision of state, or by revenue bonds issued by political subdivisions.

Since the financial status of the state is affected not only by state indebtedness but also by indebtedness of the state's political subdivisions, to promote financial stability and fiscal responsibility it is the intention of this Section to require approval of the State Bond Commission of the issuance or sale of all obligations by the state and its political subdivisions.
any state board, agency, or commission, immediately upon
receipt, shall be deposited in the state treasury, except
money received as grants or donations or other forms of
assistance when the terms and conditions thereof require
otherwise.

Subject to contractual obligations existing at the
time this constitution is adopted, all state money
deposited in the state treasury, except money received
as grants or donations or other forms of assistance when
the terms and conditions thereof require otherwise, shall
be credited to a special fund designated as the Bond
Security and Redemption Fund. In each fiscal year
there hereby is allocated from the Bond Security and
Redemption Fund an amount sufficient to pay all
obligations, including but not necessarily limited
to principal, interest, premiums, sinking or reserve
fund requirements, which are secured by the full faith
and credit of the state and which become due and payable
within the current fiscal year. Thereafter, all
money remaining in the Bond Security and Redemption
Fund shall be credited to the State General Fund.

Section 9. Management of State Funds: Budget

Comment: As used in this section, “All money received by
the state or by any state board, agency, or commission”
is intended to include all revenue receipts, irrespec
tive of source.

The language “Subject to contractual obligations
existing at the time this constitution is adopted”
is intended to protect the holders of outstanding
obligations of the State of Louisiana and its boards,
agencies, and commissions. Nothing herein is intended
to impair any contractual obligations existing at the
time this constitution is adopted.

The language “except money received as grants
or donations or other forms of assistance” is intended
to include all grants, donations, or other forms of
assistance, whether public or private.

Under this section all obligations secured by the
full faith and credit of the state additionally will
be secured by the Bond Security and Redemption Fund,
which is allowed each fiscal year a sum sufficient
fully to pay all obligations maturing within the
current fiscal year. The Bond Security and Redemption
Fund is intended to provide a first priority for

Section 7. Expenditure of State Funds:

Section 7. (b) Money shall be drawn from the
state treasury only pursuant to an appropriation made
in accordance with law. Each appropriation shall be
for a specific sum of money and for a specified object.

(b) An appropriation shall be for a term no longer
than two years, and the legislature shall provide for
the publication of a regular statement of receipts and
expenditures of all state moneys at intervals of not
less than a year.

(C) An appropriation never shall allocate to any
object the proceeds of any particular tax or a part or
percentage thereof except when required by the federal
government for participation in federal programs.

(D) An appropriation never shall be made under the
head or title of contingent, nor shall an appropriation
be made except for public purposes. Money never shall
be taken from the public treasury, directly or indirectly,
in aid of any church, sect or denomination of religion,
or in aid of any private, preacher, minister, or teacher
thereof, as such, and a preference never shall be
given to, nor any discrimination made against, any church,
sect or creed of religion, or any form of religious
faith or worship. An appropriation never shall be made
to any person or community for private, charitable, or
beneficial purposes, provided this shall not apply to
the state agencies for the insane, and the state schools
for the deaf and dumb, and the charitable,
hospitals, and public charitable institutions conducted
under state authority.

Section 9. Management of State Funds: Public Record

Section 9. All reports and records of the
collection, expenditure, investment, and use of
state moneys and all reports and records relative
to state obligations shall be matters of public record.

Section 10. Management of State Funds: Investmen
t

Section 10. All available moneys for invest-
ment in the custody of the state treasurer shall be
invested as provided by law.

Section 11. Management of State Funds: Loan ng

Section 11. (A) The funds, credit, property, or things of value of the state, or of any political corporation thereof, shall not be leased, pledged, or donated to or for any person or persons, associations, or corporations, public or private, provided nothing contained herein shall prevent intercorporation between the state and its political subdivisions or between political subdivisions; nor shall the state, nor any political corporation purchase or subscribe to the capital stock or stock of any corporation or association whatever, or for any private enterprise.

(B) Notwithstanding the provisions of this section, the legislature may grant necessary rights of way through its public lands for the construction of any railroad or flood control or navigation canal; and police juries and municipal corporations may utilize any charitable institutions within their corporate limits for the care, maintenance, and asylum of destitute persons, provided all appropriations made to such institutions shall be accounted for in the manner required of officials entrusted with public funds. Furthermore, the state, or any agency or political corporation or subdivision thereof, through authorized representatives, may donate perfect ownership, or otherwise convey, to the United States any property, movable and immovable, rights of way or servitudes, which they may own or may hereafter acquire, for the following public purposes: use, in connection with the improvement and maintenance of the navigation of natural waterways, the construction and improvement, and maintenance of artificial navigable waterways and river and harbor works of every description and kind authorized by an Act in Acts of the Congress of the United States or Federal Statutes, or otherwise, and in connection with flood control works of every description, and kind, authorized or in operation with airports, flying fields, landing fields, parks, forest preserves, etc.

16-16-1. (C) This Section shall not be held to prohibit any municipality from leasing or letting out to any person or persons, association or corporation, public or private, a hospital, clinic, sanitarium or any other institution, together with all incidental premises in connection therewith, belonging to or standing in the name of the municipality, provided the lease shall require a minimum of two percent per annum rental fee based on the total value of the facility at the date of the execution of the lease and provided that the question of granting such lease shall be previously submitted to the resident property taxpayers qualified to vote in the municipality wherein such lease is sought to be granted at an election called for that purpose and a majority of those voting, in manner and amount, vote in favor thereof. Such election shall be called and held, under existing laws providing for the calling and holding of elections to decide the question of inquiring debt, issuing bonds, and levying special taxes, provided further, said lease shall assure the public the leased premises shall be exclusively used for the main purposes for which same was acquired by the municipality.

16-16-1. (D) This Section shall not be held to prohibit any municipality from leasing or letting out to any person or persons, association or corporation, public or private, a hospital, clinic, sanitarium or any other institution, together with all incidental premises in connection therewith, belonging to or standing in the name of the municipality, provided the lease shall require a minimum of two percent per annum rental fee based on the total value of the facility at the date of the execution of the lease and provided that the question of granting such lease shall be previously submitted to the resident property taxpayers qualified to vote in the municipality wherein such lease is sought to be granted at an election called for that purpose and a majority of those voting, in manner and amount, vote in favor thereof. Such election shall be called and held, under existing laws providing for the calling and holding of elections to decide the question of inquiring debt, issuing bonds, and levying special taxes, provided further, said lease shall assure the public the leased premises shall be exclusively used for the main purposes for which same was acquired by the municipality.

16-16-1. (E) This Section shall not be held to prohibit any municipality from leasing or letting out to any person or persons, association or corporation, public or private, a hospital, clinic, sanitarium or any other institution, together with all incidental premises in connection therewith, belonging to or standing in the name of the municipality, provided the lease shall require a minimum of two percent per annum rental fee based on the total value of the facility at the date of the execution of the lease and provided that the question of granting such lease shall be previously submitted to the resident property taxpayers qualified to vote in the municipality wherein such lease is sought to be granted at an election called for that purpose and a majority of those voting, in manner and amount, vote in favor thereof. Such election shall be called and held, under existing laws providing for the calling and holding of elections to decide the question of inquiring debt, issuing bonds, and levying special taxes, provided further, said lease shall assure the public the leased premises shall be exclusively used for the main purposes for which same was acquired by the municipality.


Section 12. Release of Obligation to State. Parish or Municipal Corporation. Taxes on Confiscated Property

Section 12. The legislature shall have no power to release or extinguish, or to authorize the releasing or extinguishment, in whole or in part, of the indebtedness, liability, or obligation of any corporation or individual to the state, or to any parish or municipal corporation thereof; provided, the heirs to confiscated property may be released from all taxes due thereon at the date of its reversion to them.


Section 13. Legislation to Enable Compliance with Federal Laws and Regulations to Secure Federal Aid in Capital Improvement Projects

Section 13. The legislature may enact legislation to enable the state, its agencies, municipalities and parish, and their agents to comply with federal law and regulations in order to secure federal participation in the cost of capital improvement projects, and the legislature may authorize the use of funds, dedicated to such agencies for such purpose, for other purposes, to meet the requirements of the federal statutes, inclusion, by way of example but not with the intention of limitation, providing, relocation assistance payments, housing for relocates, and similar federal requirements. Whenever the legis-
CC-235 TENTATIVE FINAL DRAFT

1 Constitutional Convention of Louisiana of 1973

2 COMMITTEE PROPOSAL NUMBER

3 Introduced by Delegate Baykum, Chairman on behalf of the

4 Committee on Revenue, Finance and Taxation, and Delegates

5 Alario, Badeaux, Brown, Champagne, Chehardy, Conroy,

6 DeBlieux, Edwards, Fontenot, Lowe, McDaniel, Maubrret,

7 Mire, Newton, Nunez, Planchard, Roemer, Schmitt, Slay,

8 Smith, Triche, and Winchester.

9

10 A PROPOSAL

11

12 For tax structure.


14

15 ARTICLE ______.

16 Section 1. Power to Tax; Public Purpose

17 Section 1. The power of taxation shall be vested in the

18 legislature and shall never be surrendered, suspended, or con-

19 tracted away; and shall be imposed for public purposes only.

20


22

23 Comment: Continues the existing provision vesting the taxing

24 authority in the legislature and imposed the tax only for

25 public purposes. Remainder of the source provision is

26 covered by the property tax provision.

27

28 Section 2. Power to Tax; Limitation

29 Section 2. The levy of a new tax and any increase in an

30 existing tax and any repeal of an existing exemption from a

31 tax shall require the favorable vote of two-thirds of the

32 members elected to each house of the legislature, as evi-

33 denced by a recorded vote. A like vote shall be necessary

34 for the adoption of amendments to bills proposing the same

35 and to reports of conference committees.

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39 Comment: Requires two-thirds vote on all tax matters, thus

40 making no substantive change in the present law.

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42 Section 3. Collection and Refund of Taxes

43 Section 3. The collection of taxes shall not be re-

44 strained, and procedures shall be provided for the re-

45 covery of illegal taxes paid.

46


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49 Comment: This provision is substantially the same as Art. X,

50 §18, La. Const. 1921.

51

52 Section 4. Limitations on Taxing Power; Graduated

53 Rates, Severance Tax, and Subdivisions of the State

54 Section 4. (A) Equal and uniform taxes may be levied

55 upon net incomes, and such taxes may be graduated ac-

56 cording to the amount of net income, provided the state individual

57 income tax rate on the first ten thousand dollars of taxable

58 income for single return or twenty thousand dollars of

59 taxable income for joint return shall not exceed two percent.

60 (B) Taxes may be levied on natural resources severed

61 from the soil or water, to be paid proportionately by the

62 owners thereof at the time of severance. Natural resources

63 may be classified for the purpose of taxation and such taxes

64 may be predicated upon either the quantity or value of the

65 products at the time and place of severance. No further or

66 additional tax or license shall be levied or imposed upon

67 oil, gas, or sulphur leases or rights, nor shall any addi-

68 tional value be added to the assessment of land, by reason

69 of the presence of oil, gas, or sulphur therein or their

70 production therefrom. Likewise, severance taxes shall be

71 the only tax on timber; provided that standing timber shall

72 Page 2

73 CC-235

74 1 be and remain liable equally with the land on which it

75 stands, for ad valorem taxes levied on said land.

76 (C) Political subdivisions of the state shall not levy

77 taxes on income, natural resources severed from soil or

78 water, or motor fuel, and any occupational license taxes

79 levied by a political subdivision shall not be greater than

80 those imposed by the state, and the total amount of any

81 occupational license tax levied by a parish shall be reduced

82 by the amount of any municipal occupational license tax

83 levied.

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85 Section 5. Annual Motor Vehicle License Tax

86 Section 5. The legislature shall impose an annual

87 license tax of three dollars on automobiles for private

88 use; on all other motor vehicles, an annual license tax

89 based upon horsepower, carrying capacity, or weight, any or

90 all. No parish or municipality may impose any license fee

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on motor vehicles.


Comment: No substantial change in the law.

Section 6. Forestry

Section 6. Forestry shall be practiced in this state, and the legislature shall enact laws therefor.

Source: La. Const. Art. VI, §22(b) (1921).

Comment: This provision is substantially the same as the first paragraph of Article VI, Section 2. It provides for the practice of forestry and authorizes the legislature to make provisions therefor. The section deletes the provision of Section 2 which authorizes parish governing authorities to levy acreage taxes not exceeding two cents per acre.

Page 3

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two cents per acre.

Page 4

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Constitutional Convention of Louisiana 1973

COMMITTEE PROPOSAL NUMBER

A PROPOSAL

For tax structure.

PROPOSED SECTIONS:

Article ___, Section 1. Power to Tax Uniformly;

Public Purpose

Sections 1. The power of taxation shall be vested in the legislature and shall never be surrendered, suspended, or contracted away; and shall be imposed for public purposes only.


Comment: Continues the existing dedication of a portion of the revenue from severance taxes and mineral royalties to purposes from which severed. Deletes the existing requirement that limitation royalties be used for transportation purposes.

Section 5. Limitations on Taxing Power; Graduated Rates, Severance Tax, and Subdivisions of the State

Section 5. (A) Taxes on income shall be graduated according to the amount of net income.

(B) Severance taxes shall be the only tax on natural resources severed from soil or water and shall be imposed only when the resources are severed.

(C) Political subdivisions of the state shall not levy taxes on income, natural resources severed from soil or water, or motor fuel, nor shall any occupational license fees be levied by any political subdivision be greater than those imposed by the state.


Comment: Requires two-thirds vote on all tax matters, thus making no substantial change in the present law.

Section 3. Collection and Refund of Taxes

Section 3. The collection of taxes shall not be...
Comment: Provides for limitation on taxes on incomes, severance taxes, and taxing power of political subdivisions. Requires that taxes on incomes be graduated as present law does. The words "equal" and "uniform" have been eliminated since they are ambiguous when used in providing for a graduated income tax. The references to exemption have been eliminated because "the power to exempt from taxation, as well as the power to tax, is an essential attribute of sovereignty, and are generally granted only when and to the extent that they may be deemed to conserve the general welfare. The power to exempt may be exercised in the constitution or in a statute, unless the constitution expressly or by implication prohibits action by the legislature on the subject." (See 84 C.J.S. 414-415.)

Also, reference to the income tax schedule of rates has been deleted which gives the legislature greater flexibility in establishing the tax rate and base for the state income tax schedule.

The limitation on severance taxes on natural resources represents no substantive change in the present law. The $1.00 per ton tax ceiling on sulphur is deleted since it is already statutory law. (See La. R.S. 47:633.)

The limitation on the taxing power of political subdivisions has been expanded to include a prohibition of the taxing of income. The prohibition against political subdivisions taxing natural resources severed from soil or water and motor fuel represents no change in the present law. The limitation in occupational license taxes has been changed to include alcoholic beverages. Art. X, §8.

ASSIGNMENT OF AGRICULTURAL PROPERTY
TO THE HONORABLE DELEGATES OF THE LOUISIANA CONSTITUTIONAL CONVENTION OF 1973

May it please the delegates:

This brief is submitted on behalf of Louisiana Farm Bureau Federation, Inc. as spokesman for the agricultural interests of the State of Louisiana. Farm Bureau is a voluntary non-profit organization comprised of some 36,000 farm families in Louisiana. The principal purpose of Louisiana Farm Bureau is to promote the growth and development of farming and agricultural pursuits in the State of Louisiana, not only for the benefit of its members, but for the good and well being of the State of Louisiana and all its citizens.

I. PROPERTY TAX LAW IN TURMOIL

Due to recent changes in the Constitution and Laws of the State of Louisiana, and decisions of the Courts relative to the subject of assessment of property for ad valorem tax purposes, there is a great deal of confusion in the minds of the public and public officials as to what the law is or should be. The delegates of the Constitutional Convention have a rare opportunity and duty to explore the complexities of this problem and attempt to bring some order out of the chaos which presently exists. Our organization will limit its recommendations on this subject to only one area, namely, the assessment of agricultural lands. This brief is designed to point out why agricultural lands should be treated differently from non-agricultural lands and to explain how this problem is being resolved in other states.

A. Economic Impact:

For generations, agriculture has been the economic mainstay of the State of Louisiana. While our state is becoming increasingly industrialized, agriculture still plays a major role in our economy. Total sales of agricultural products in the State of Louisiana in one year amount to more than one billion ($1,086,000,000.00) dollars. Processing of these raw agricultural products adds over one and one-half billion ($1,531,466,000.00) dollars to their value, thus increasing the gross agricultural income in the State of Louisiana to the staggering sum of $2,618,138,000.00. Investment in land, buildings, machinery and equipment for agricultural purposes in Louisiana amounts to more than 4 3/4 billion ($4,767,000,000.00) dollars. All of these statistics, with breakdown by commodity, are shown on a chart marked Exhibit "A" attached hereto and made part hereof. The agricultural industry could be jeopardized and crippled unless adequate safeguards are provided in the property tax field. The State and
the nation can ill afford the collapse of the agricultural industry.

b. Environment

Ecology is a big word in our vocabulary today. Yet, many of us do not realize what a significant role agriculture plays in the protection of our environment. Green acres purify polluted air through the natural action of green plants. These plants, through a chemical transformation process, convert carbon dioxide into oxygen. The significance of this process was discovered and put to good use in England in the 1930's. A twenty mile swath of open spaced farmland and forest was provided in and around the City of London and called the "Green Belt". The results were so gratifying that it prompted the noted author, John Gunther, to comment in his book, "Twelve Cities":

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"Even the weather has changed." City planners throughout the U.S. have recognized this phenomenon and are reserving green belts in and around their cities for ecological and environmental reasons.

c. Water Supply:

There is no shortage of water in Louisiana this year, but there could be a problem in future years as industrial usage of water increases. Land in agriculture serves as a watershed to collect and conserve water. Agriculture conserves more water than it uses. In times of excess rainfall, such as we are experiencing this year, agricultural land tends to slow down water runoff, hence reducing floods. In addition, agricultural land permits percolation of water into the ground to replenish underground streams and reservoirs.

III. INCREASE IN LAND VALUES JEOPARDIZES AGRICULTURE

As Louisiana becomes more urbanized, and as our population increases, the demand for land increases and so does its value. In some areas of Louisiana, particularly near our cities, agricultural land has become too valuable to farm. Economic facts demand sale for industrial or commercial use, or for subdivisions. If a farmer cannot earn enough to pay for his farm, he cannot stay in business. We are at the point now where many farmers can only continue farming because they inherited property or acquired it when it was cheap. If they had to buy the land, they could not justify the investment based upon the anticipated yield. The Department of Agricultural Economics at L.S.U. has furnished us with charts showing the average market value of land used for various commodities in Louisiana (Exhibit "B"), and the average use value of said land based on capitalization of earnings at 10% per annum. These charts are attached to and made part of this brief. In summary, they show that the market value of sugar cane land is $750.00 per acre, but the farmer could only pay $300.00 per acre, based on anticipated earnings from sugar farming (Exhibit "C"). Using the same formula, cotton land sells for $640.00 per acre, but the use value if only $125.00 per acre (Exhibit "D"). Rice land brings $550.00 per acre on the market, but the farmer can only justify $185.00 (Exhibit "E"). Soy bean land brings $805.00 per acre, but its value based on earnings is $278.00 (Exhibit "F").

IV. PROPOSED SOLUTION - "GREEN BELT LAW" - PRECEDENT IN OTHER STATES

Many other states have recognized the problems discussed hereinabove and have attempted to resolve them by legislation and constitutional amendments. The object of this legislation is to provide incentives to landowners to permit property to remain in agricultural or horticultural use rather than to have it sold for commercial, industrial or subdivision purposes. This incentive can best be offered by adopting special assessment procedures for agricultural lands. Laws which are specially designed to preserve agricultural and forest lands are generally referred to as "Green Belt" laws. In some areas, the emphasis is not on agriculture, as such, but on preserving open lands for parks and playgrounds, and for the aesthet-

-4-

cical values which nature provides to our society. Such lands are protected by means of zoning laws or ordinances sometimes called "Open Space" laws. All of these laws, regardless of what they are called, are based on the recognition that green belts and open spaces are beneficial to our society and some legislation and regulation is necessary if they are to be preserved. Since 1961, there has been considerable legislative activity throughout the country dealing with this subject. There have been rather extensive studies made on the problems of assessment and taxation of agricultural lands. Copies of some of the literature on the subject are attached to and made part of this brief for reference. Two of these publications deserve special comment. "Use Value Assessment, A Study Based on Loudoun County, Virginia", discusses the laws adopted in other states and explains the problems which have been encountered in these states and concludes that use value assessment can be a valuable tool to aid in developing desirable communities in which to work and live. (p. 39) The Legislative Research Council of the Commonwealth of Massachusetts made an in-depth study of the problem and prepared an excellent written report on assessment of Agricultural land published on February 20, 1970. This report also reviews the actions taken by other states through the year 1969. The Council concluded its report by recommending a constitutional amendment which would provide that agricultural or horticultural lands shall be valued, for the purpose of taxation, according to their agricultural or horticultural uses.

According to the Massachusetts report, some form of use-value assessment was in operation or being considered in more than half of the 50 states as of 1970. At that time, of 42 states which answered the Research Bureau's questionnaire, only 15 answered "Yes" and had not considered use-value assessment (Ala., La., Ohio and Wyo.) (p.11). Since the Massachusetts report
The details vary from state to state, but the general concept is the same. Agricultural lands must be assessed differently from non-agricultural lands and the assessment should be based on use value rather than market value.

The voters of the State of Massachusetts, in November of 1917, overwhelmingly approved the green belt constitutional amendment by an affirmative vote of 71. It is significant that industrial states such as New Jersey and Massachusetts have seen the need to adopt such laws. It would be tragic and ironic if Louisiana, whose economy is far more farm-oriented than that of these Eastern states, would fail to take necessary legislative action to preserve our farm lands and forests.

To avoid abuses, the legislature can, and should, impose safeguards. There are any number of qualifications which can be specified to insure that this law serves the purposes for which it is intended. Common features which appear in a number of the green belt laws adopted by other states, include the following:

1. Formal Application. Some states provide that granting of a special assessment is not automatic. The owner must file an application, and this application must be acted upon by the proper authorities. Eligibility requirements may be provided. Massachusetts requires that the land be in farm use for at least two years before it becomes eligible.

2. Bond Tide Farmers Only. To prevent speculators and land developers from taking advantage of any tax benefits provided under the program, it may be stipulated that the special assessment provisions shall apply to, and be available only to, bona fide farmers. Some states provide that a bona fide farmer is one who earns a substantial portion of his income from agricultural pursuits (perhaps one-half, one-third or one-half, within the discretion of the legislature).

3. Minimum Area. To insure that the protected property is large enough to be operated effectively as a farm and to avoid the temptation to classify homesteads as "farms", some states require a minimum acreage (five acres or more) or a minimum annual dollar production ($500.00 gross sales) of agricultural products.

4. Formula for Capitalization of Earnings. In order to put this program into effect, there must be a formula for determining the use value based upon production potential and capitalization of earnings. Capitalization of earnings is a vital factor used in appraisals to determine value. Agricultural economists can develop statistics showing the production potential of certain types of land in certain crops, and considering the costs incident to the growing and the harvesting of the crops, can establish the use value of the land. This technical determination of use value can be made by a special commission or section established by law to perform this function. In New Jersey, a State Real and Personal Estate Valuation Advisory Council is responsible for annually determining the range of values for each of the agricultural land classifications. Such a commission or corporation could be established in Louisiana, if our lawmakers choose to do so. It would seem that details of the formula and the manner in which the green belt law would be applied should be left to the legislature and should not be included in the Constitution. There should be a general statement of policy in the Constitution, however, to the effect that the assessment of agricultural lands be based upon their use value for agricultural purposes, and not upon their market value. The Constitution should authorize or provide for legislative action on the subject not inconsistent with this policy. Special care should be taken to insure that no language is retained in the Constitution which could conflict with this general policy.

5. Constitutional Issue. The present laws of the State of Louisiana do not permit property to be assessed according to use rather than market value. As a practical matter, the assessors in some Parishes have been assessing property for "use" purposes. The State Valuation Law provided in R.S. 47:1988. This statute was repealed by Act 13 of the Extraordinary Session of the 1932 Legislature. Even under this statute, land was not being valued according to any formula based upon production potential or capitalization of earnings. The Tax Commission used the classification system as a guide to achieve some uniformity in valuing agricultural lands. Thus, swampland might be assessed at one figure, pasture land at another, and all non-arable land, regardless of value (i.e., of our farm property in Louisiana is assessed at values which are within the range of the use value for agricultural purposes. No credit can be given to the law as written for these assessments, however. In view of the recent Court decision in the Russian suit, it is questionable whether such assessments could stand a Court test. Unless the Constitution is changed to expressly authorize special treatment for agricultural land. We recommend, therefore, that the green belt laws be given constitutional protection against a Court test by expressly authorizing this special method of assessment for agricultural lands. Timber is now given special treatment in the Constitution (Art. X, Section 11), so there is precedent even in Louisiana for such action.

6. Deferral/Taxation-Roll Back. Some states provide that if farm lands are converted to another use, an adjusted tax should be levied for the year in which the land use changed. By providing for a fixed number of years (2 or 3) and the additional tax would be based upon the difference between the amount paid on the use value assessment and the amount which would have been collected had the land not been in farm use. Again, details of such a provision could be left to the discretion of the Legislature. These are some of the safeguards which can be employed. We are not prepared at this time to suggest the exact clauses which should be enacted by the legislature. We do not believe the Constitutional Convention should concern itself with such details. The above described restrictions are mentioned for purposes of background information and to illustrate the types of limitations the legislature might impose to prevent abuse.

V. SUGGESTED LANGUAGE OF CONSTITUTIONAL PROVISION.

Again, with no intent to usurp the power and authority of the delegates to fashion the language of the new constitution of Louisiana, we offer for the consideration of the delegates, the following draft:

**PROPOSED AMENDMENT TO ARTICLE X, SECTION 1 OF THE LOUISIANA CONSTITUTION OF 1921:**

"For the purpose of developing and conserving agricultural lands, such lands shall be assessed for the purpose of taxation, according to their use value rather than their market value."

We humble suggest that this or similar language should be included in the new Constitution. For purposes of comparison, the delegates may wish to examine the following amendment adopted in Massachusetts, quoted verbatim on page 49 in the report of the Legislative Research Council:

**ARTICLE OF AMENDMENT.**

Art. 1. Full power and authority are hereby granted to the General Court to prescribe, for the purpose of developing and conserving agricultural or horticultural lands, that such lands shall be valued, for the purpose of taxation, according to their agricultural or horticultural production or, however, that no parcel of land which is less than five acres in area or which has not been actively devoted to agricultural or horticultural uses for the two years preceding the tax year shall be valued at less than fair market value under this article.

VI. Justification for Special Treatment. While many of the delegates are farm oriented and understand the problems peculiar to the farming industry, some of the delegates may wonder why agriculture deserves special treatment. For these doubters, we suggest a few of the more salient reasons.

A. Necessity. Agriculture produces food and fiber for a rapidly growing population. If we think meat prices are high now, imagine what will happen if we drive a few more producers out of business, thereby further reducing the supply of meat. The same goes for grain, fruits and vegetables. There are many industries we could do without in time, maybe, if we had to -- agriculture is not one of them.

B. Quality of Life. Aside from the food and fiber
Aspects, crop land and green belts enhance the quality of life for farmers. The aesthetic values have been touched on hereinabove.

C. Fair Treatment.

1. Competition with other States. Farm operations today are highly mobile. Major crops can be raised in different states. A large soybean producer may elect to do business in any of a number of states. If he has a tax advantage in Arkansas, Mississippi, or Alabama, why should he farm in Louisiana? Since many of our surrounding states have or are considering green belt legislation, we should not discriminate against our local producers and perhaps drive them out of the state.

2. Competition within the state. The whole thrust of the tax equalization movement is the idea that it is wrong to discriminate against taxpayers. Yet, there is considerable discrimination now between farmers, depending upon where their farms are located. Why should a farmer near a large city be taxed out of business just because his farm happens to be in close proximity to a city while another farmer raising the same crop in a rural area enjoys a low assessment.

D. Open land requires less public services. Farm land generally requires much less public services per acre than non-farm land. The farmer, therefore, is paying more than his fair share for such services as schools, fire and police protection, streets, drainage and garbage disposal. This inequity can be offset to some extent by tax relief in the form of an appropriate green belt law.

E. Farmers and Other States. Farmers are constantly competing to improve their quality of life. Some recognition must be given for their role as conservationists in perpetuating a valuable renewable resource for generations to follow.

SUMMARY

Any substantial increase in ad valorem taxes on farm land could be disastrous. Because of the Russo law suit and the recent revisions in our tax laws, farmers are concerned about how changes may affect them. Evidence of this concern is reflected in a recent article by Dr. Clyde St. Clayp, Extension Economist, Louisiana Cooperative Extension Service, entitled “Assessment of Agricultural Land”, a copy of which is attached hereto and marked Exhibit “C”, for reference.

As we stated at the outset, the delegates to this convention have a real challenge before them, and a rare opportunity to mold a Constitution that will serve and protect all segments of our society and economy. We submit that the future of agriculture in Louisiana hinges upon the tax base of farm lands. We trust that the Honorable delegates to the Convention will recognize the importance of this issue and will act favorably upon this request. Louisana Farm Bureau offers its full cooperation and assistance in connection with the research and drafting of appropriate language designed to accomplish the objectives set forth hereinabove.

Respectfully submitted,
LOUISIANA FARM BUREAU FEDERATION, INC.

By:
Louis D. Kerst
General Counsel

EXHIBIT ‘B’

Total Income in Louisiana Agriculture and Agricultural Income for 1972 are as follows:

<table>
<thead>
<tr>
<th>Gross Farm Value</th>
<th>Total Farm Value</th>
<th>Total Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>$2,618,138,000</td>
<td>$2,587,164,000</td>
<td>$2,618,138,000</td>
</tr>
</tbody>
</table>

1972 Income and Value Added by Processing for Commodities are as follows:

<table>
<thead>
<tr>
<th>Commodity</th>
<th>Gross Farm Value</th>
<th>Value Added</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cotton</td>
<td>$146,366,000</td>
<td>$7,412,000</td>
<td>$153,778,000</td>
</tr>
<tr>
<td>Rice</td>
<td>110,688,000</td>
<td>3,675,000</td>
<td>114,363,000</td>
</tr>
<tr>
<td>Sugarbeets</td>
<td>91,497,000</td>
<td>13,362,000</td>
<td>104,859,000</td>
</tr>
<tr>
<td>Soybeans</td>
<td>120,658,000</td>
<td>23,324,000</td>
<td>144,982,000</td>
</tr>
<tr>
<td>Corn</td>
<td>9,683,000</td>
<td>2,980,000</td>
<td>12,663,000</td>
</tr>
<tr>
<td>Hay</td>
<td>3,325,000</td>
<td>1,550,000</td>
<td>4,875,000</td>
</tr>
<tr>
<td>Peanuts</td>
<td>6,200,000</td>
<td>7,200,000</td>
<td>13,400,000</td>
</tr>
<tr>
<td>Sweet Potatoes</td>
<td>29,052,000</td>
<td>4,425,000</td>
<td>33,477,000</td>
</tr>
<tr>
<td>Strawberries</td>
<td>2,050,000</td>
<td>2,200,000</td>
<td>4,250,000</td>
</tr>
<tr>
<td>Ornaments</td>
<td>6,100,000</td>
<td>6,700,000</td>
<td>12,800,000</td>
</tr>
<tr>
<td>Tree Fruit</td>
<td>3,804,000</td>
<td>3,804,000</td>
<td>7,608,000</td>
</tr>
<tr>
<td>Vegetable Gardens</td>
<td>34,344,000</td>
<td>2,980,000</td>
<td>37,324,000</td>
</tr>
<tr>
<td>Other Horticultural</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cotton</td>
<td>16,374,000</td>
<td>2,500,000</td>
<td>18,874,000</td>
</tr>
<tr>
<td>Forestry</td>
<td>147,465,000</td>
<td>1,152,159,000</td>
<td>1,299,624,000</td>
</tr>
<tr>
<td>Cattle &amp; Calves</td>
<td>160,000,000</td>
<td>48,000,000</td>
<td>208,000,000</td>
</tr>
<tr>
<td>Milk</td>
<td>80,600,000</td>
<td>90,100,000</td>
<td>170,700,000</td>
</tr>
<tr>
<td>Horses</td>
<td>14,001,000</td>
<td>14,001,000</td>
<td>28,002,000</td>
</tr>
<tr>
<td>Poultry</td>
<td>60,000,000</td>
<td>60,940,000</td>
<td>120,940,000</td>
</tr>
<tr>
<td>Sheep</td>
<td>337,000</td>
<td>45,500</td>
<td>382,500</td>
</tr>
<tr>
<td>Swine</td>
<td>8,007,000</td>
<td>7,434,000</td>
<td>15,441,000</td>
</tr>
<tr>
<td>Fishery</td>
<td>4,937,000</td>
<td>2,400,000</td>
<td>7,337,000</td>
</tr>
</tbody>
</table>

Average Market Value of Farm Land by Major Commodities*

<table>
<thead>
<tr>
<th>Commodity</th>
<th>Value per Acre</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cotton</td>
<td>$640</td>
</tr>
<tr>
<td>Sugarbeets</td>
<td>$750</td>
</tr>
<tr>
<td>Rice</td>
<td>$550</td>
</tr>
<tr>
<td>Soybeans</td>
<td>$380</td>
</tr>
<tr>
<td>Poultry</td>
<td>$275</td>
</tr>
</tbody>
</table>

* Estimates based on reports by county agents of recent sales.
Estimated Variable, Fixed and Total Costs Per Acre of Sugar-cane and Cross and Net Income and Value of at 102

<table>
<thead>
<tr>
<th>Item</th>
<th>Value/Acre</th>
</tr>
</thead>
<tbody>
<tr>
<td>Variable Costs 1/</td>
<td>215.00</td>
</tr>
<tr>
<td>Fixed Costs 2/</td>
<td></td>
</tr>
<tr>
<td>Equipment</td>
<td>15.40</td>
</tr>
<tr>
<td>3 Tractors 3/</td>
<td>12.45</td>
</tr>
<tr>
<td>Harvester 4/</td>
<td>12.67</td>
</tr>
<tr>
<td>Total Fixed Costs</td>
<td>40.52</td>
</tr>
<tr>
<td>Total Costs</td>
<td>255.52</td>
</tr>
<tr>
<td>Gross Income 5/</td>
<td>285.60</td>
</tr>
<tr>
<td>Net Income</td>
<td>30.08</td>
</tr>
<tr>
<td>Value of land @ 102</td>
<td>300.60</td>
</tr>
</tbody>
</table>

1/ From 1971 study conducted by county agents and analyzed by Lloyd A. Carville, Specialist, Farm Management.
2/ Estimated from selected studies and estimates.
3/ Tractors valued at $8,500 - 6 year life.
4/ Harvester $26,000 - 6 year life.
5/ Yield 27.2 tons @ $10.50/ton.

EXHIBIT "D"

Estimated Variable, Fixed and Total Costs Per Acre of Soybeans (with fertilizers) and Cross and Net Income and Value of at 102

<table>
<thead>
<tr>
<th>Item</th>
<th>Value/Acre</th>
</tr>
</thead>
<tbody>
<tr>
<td>Variable Costs</td>
<td>63.63</td>
</tr>
<tr>
<td>Fixed Costs</td>
<td></td>
</tr>
<tr>
<td>Equipment</td>
<td>10.05</td>
</tr>
<tr>
<td>2 Tractors</td>
<td>8.25</td>
</tr>
<tr>
<td>Combine</td>
<td>10.25</td>
</tr>
<tr>
<td>Total Fixed Costs</td>
<td>28.55</td>
</tr>
<tr>
<td>Total Costs</td>
<td>92.18</td>
</tr>
<tr>
<td>Gross Income - 30 bu. @ $4.00</td>
<td>120.00</td>
</tr>
<tr>
<td>Net Income</td>
<td>27.82</td>
</tr>
<tr>
<td>Value of land @ 102</td>
<td>278.20</td>
</tr>
</tbody>
</table>

1/ Based on data from the rice area, 1971 crop year.

EXHIBIT "E"

Estimated Variable, Fixed and Total Costs Per Acre of Rice and Cross and Net Income and Value of at 102

<table>
<thead>
<tr>
<th>Item</th>
<th>Value Per Acre</th>
</tr>
</thead>
<tbody>
<tr>
<td>Variable Costs 1/</td>
<td>$223.13</td>
</tr>
<tr>
<td>Fixed Cost</td>
<td>--</td>
</tr>
<tr>
<td>Equipment</td>
<td>10.73</td>
</tr>
</tbody>
</table>
grazing, or livestock are classified as Pasture land. The acreage assessment rates used for each classification vary significantly from parish to parish.

However, a study conducted by the Public Affairs Research Council of Louisiana found that agricultural lands were assessed at an average of 14.6% of actual cash value. If we assume a 100-acre farm with an actual cash value of approximately $56,075, the assessed valuation and approximate advalorem taxes paid would be as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Actual Cash Value</th>
<th>Assessed Valuation</th>
<th>Advalorem Taxes to be paid on</th>
</tr>
</thead>
<tbody>
<tr>
<td>Best land - 50 acres</td>
<td>$37,500</td>
<td>$5,475</td>
<td>$0</td>
</tr>
<tr>
<td>Next best land - 30 acres</td>
<td>$10,000</td>
<td>1,460</td>
<td>$0</td>
</tr>
<tr>
<td>Least valuable - 15 acres</td>
<td>$3,350</td>
<td>526</td>
<td>$0</td>
</tr>
<tr>
<td>Pasture land - 15 acres</td>
<td>$6,125</td>
<td>903</td>
<td>$0</td>
</tr>
<tr>
<td>Total</td>
<td>$56,075</td>
<td>$7,966</td>
<td>$0</td>
</tr>
</tbody>
</table>

Property tax as a means of obtaining revenue is based on two major concepts. The first is that property ownership constitutes a good measure of a person's ability to pay. This concept was developed in early times when the United States was a rural nation and agriculture was the dominant industry. This is no longer true. In fact, rural farm per capita income is only 3/4 of urban non-farm per capita income. Thus, the ability to pay can no longer be measured on the basis of the number of acres owned.

The second concept is that land owners within a taxing district receive most of the advantages of local government and should be willing to pay for these advantages. This may have been true when the concept was first developed. However, how many farmers receive the benefits of improved fire protection, better schools facilities, improved highways, etc. — which separately add to the economic value of land, but that city or town is living in a north to a city or town on a 50 by 100 lot? Actually the farmer with his larger land area generally ends up subsidizing most of the benefits for his nearby city center.

The second basic argument for preferential treatment is based on the fact that the actual cash value of farm land does not reflect the true value of the land then considered on the basis of its productivity or the ability to pay for its use.

The present market value of most farm land is an inflated value. It is inflated primarily for two reasons. First, as the American people have become more affluent, more and more non-farm people have entered the land market in competition with farmers for available farm land. They do this because of the belief that with an ever-increasing population and a fixed or limited land base, that land values will continue to increase and, therefore, this is a good hedge against inflation. In addition, deep within most of us there is a desire to someday return to the land. In any event, most of these individuals are not concerned with the ability of the land to pay for itself.

The second reason for inflated farm land values can be traced to government programs. In an effort to control production of selected crops, an allotment system was initiated and price supports and payments tied directly to the allotment. Over the years, the value of the allotments were capitalized into the land values. While government policy regarding those crops appear to be changing, there is no clear evidence that the original impact upon land values has receded.

It can be readily demonstrated that this is a valid argument. Table 4 utilizes the current land values of land capable of producing major crops. Tables 2 through 5 indicate the average net income potential of these major crops. If we were to assume that the net income would remain year after year into the distant future, then we can determine the land's worth on the basis of its productivity by using the formula $V = \frac{afr}{r}$, in which $V$ represents the value of the property, $a$ represents the estimated average annual net return and $r$ represents the rate of interest to be used.

The interest rate selected is based on average mortgage rates of 7-1/2 percent and a 2-1/2 percent risk factor for a total of 10 percent.

Table 6 indicates that when all costs are considered, the value of
farming land based on its productivity, does not approach its market value. Thus, it would be unreasonable and unfair to assess farming land at its present inflated market value.

Preferential Assessment of Farm Land

The problem of how to assess farming land has been a problem of concern to many states. In a recent study conducted by the Legislative Research Council of Massachusetts, it was found that out of the 42 states that answered their questionnaire, only four states assessed all farm land uniformly and had not considered some form of a preferential assessment procedure. The study found that eleven states have enacted preferential assessment laws. In addition, nine other states have preferential assessment in combination with deferred taxation features.

Just what are we talking about when we say preferential assessment? Generally when preferential assessment is used land owners have an assessment based on use-value for tax purposes. The concept can be used alone or in combination with deferred tax assessment. A general description of each of the four methods follows:

**Deferral** -- farm land is to be assessed on the basis of value in agricultural use and other potential uses are to be ignored. Generally a clear definition of what constitutes a farm is written into the law to help guide assessors in their evaluation. Determination of use-value requires special information about farm land and new procedures in computing its worth. Under this system the land owner pays a lower tax and the public recovers nothing when the land changes hands.

**Tax Deferral** -- Under this system, tax assessors are required to record annually the value of each piece of farm property: (1) the market value; and (2) the use-value. As long as the property remains in farming and is not sold, taxes are based on the use-value. Should the property be sold or change use, that amount equal to the difference between the market value and the use-value becomes taxable. Generally, an adjusted tax is levied for the year in which the land is sold or changed use and for a fixed number of preceding years established by the state. The "roll back" period varies in length from state to state. In effect, the cost of tax deferral, in effect, is shared jointly by the public and the property owners.

**Planner and Zoning** -- Under this system, the people in a taxing district decide how the land is to be used (planning) and then fix its use through a zoning ordinance. Laws in states that have used this method provide that farm land, which is zoned exclusively for farm use, shall be assessed at its true cash value for farm uses and not at the market cash value. Generally, this method is used in states with high population densities and are primarily concerned with preserving the remaining open land.

**Exempts** -- Like planning and zoning, exemptions are used only in those states where the rapid loss of valuable farm land to other uses is occurring. Land is kept in agricultural use by means of an agreement between the farmer and the local government. The farmer agrees to keep his land in agricultural use for a certain period of time, five to ten years, and in return is granted an assessment related to this use by the local government. This plan is most effective when it is the product of long range land planning.

### Table 1. Average Market Value of Farm Land by Leading Commodity

<table>
<thead>
<tr>
<th>Commodity</th>
<th>Value Per Acre</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cotton</td>
<td>$6.60</td>
</tr>
<tr>
<td>Sugarcane</td>
<td>$7.50</td>
</tr>
<tr>
<td>Rice</td>
<td>$5.50</td>
</tr>
<tr>
<td>Soybeans</td>
<td>$3.60</td>
</tr>
</tbody>
</table>

* Estimates based on reports by county agents of recent sales.

### Table 2. Estimated Variable, Fixed and Total Costs Per Acre of Cotton (sow-planted) under 1971 Conditions

<table>
<thead>
<tr>
<th>Item</th>
<th>Value Per Acre</th>
</tr>
</thead>
<tbody>
<tr>
<td>Variable Costs 1/</td>
<td>$215.00</td>
</tr>
<tr>
<td>Fixed Costs 2/</td>
<td></td>
</tr>
<tr>
<td>Equipment</td>
<td>15.40</td>
</tr>
<tr>
<td>3 Tractors 3/</td>
<td>12.65</td>
</tr>
<tr>
<td>Harvester 4/</td>
<td>12.67</td>
</tr>
<tr>
<td>Total Fixed Costs</td>
<td></td>
</tr>
<tr>
<td>Total Costs</td>
<td>265.52</td>
</tr>
<tr>
<td>Gross Income 5/</td>
<td>30.06</td>
</tr>
<tr>
<td>Net Income</td>
<td>285.46</td>
</tr>
</tbody>
</table>

1/ From 1971 study conducted by county agents and analyzed by Lloyd A. Carevii, Specialist, Farm Management.
2/ Estimated from selected studies and estimates.
3/ Tractors valued at $2,500 - 6 year life.
4/ Harvester $25,000 - 10 year life.
5/ Yield 77.2 tons @ $10.50/ton.

### Table 3. Estimated Variable, Fixed and Total Costs Per Acre of Cotton (sow-planted) under 1971 Conditions

<table>
<thead>
<tr>
<th>Item</th>
<th>Value Per Acre</th>
</tr>
</thead>
<tbody>
<tr>
<td>Variable Costs 1/</td>
<td>$170.70</td>
</tr>
<tr>
<td>Fixed Costs</td>
<td></td>
</tr>
<tr>
<td>Equipment</td>
<td>10.05</td>
</tr>
<tr>
<td>2 Tractors</td>
<td>8.25</td>
</tr>
<tr>
<td>Harvester</td>
<td>10.25</td>
</tr>
<tr>
<td>Total Fixed Costs</td>
<td></td>
</tr>
<tr>
<td>Total Costs</td>
<td>28.55</td>
</tr>
<tr>
<td>Gross Income</td>
<td>199.35</td>
</tr>
<tr>
<td>Net Income</td>
<td>27.57</td>
</tr>
</tbody>
</table>

1/ Does not include spray equipment; insect control is by air.
Table 4. Estimated Variable, Fixed and Total Costs Per Acre of Rice and Prices and Profits

<table>
<thead>
<tr>
<th>Item</th>
<th>Value Per Acre</th>
</tr>
</thead>
<tbody>
<tr>
<td>Variable Costs 1/</td>
<td>$121.13</td>
</tr>
<tr>
<td>Fixed Costs</td>
<td></td>
</tr>
<tr>
<td>Equipment</td>
<td>$10.73</td>
</tr>
<tr>
<td>2 Tractors 2/</td>
<td>$13.90</td>
</tr>
<tr>
<td>Combine 3/</td>
<td>$11.33</td>
</tr>
<tr>
<td>Total Fixed Costs 3/</td>
<td>$35.06</td>
</tr>
<tr>
<td>Total Costs</td>
<td>$157.00</td>
</tr>
<tr>
<td>Gross Income 4/</td>
<td>$175.30</td>
</tr>
<tr>
<td>Net Income</td>
<td>$18.50</td>
</tr>
</tbody>
</table>

1/ From Cash Cost Study, 1971 Crop Year by Lloyd A. Carville, Specialist, Farm Management, Cooperative Extension Service.
2/ Based on 450 acres, combine $73,000 - 6 year life, tractor $9,500 - 6 year life.
3/ Includes fixed costs on machinery only, does not include building or land.
4/ Based on 27 bbl. average yield $6.50 green weight value for farmers in Cash Cost Study, 1971 Crop Year by Lloyd A. Carville, Specialist, Farm Management, Cooperative Extension Service.

Table 5. Estimated Variable, Fixed and Total Costs Per Acre of Corn and Prices and Profits

<table>
<thead>
<tr>
<th>Item</th>
<th>Value Per Acre</th>
</tr>
</thead>
<tbody>
<tr>
<td>Variable Costs 1/</td>
<td>$56.75</td>
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<tr>
<td>Fixed Costs</td>
<td></td>
</tr>
<tr>
<td>Equipment</td>
<td>$9.85</td>
</tr>
<tr>
<td>2 Tractors 1/</td>
<td>$8.25</td>
</tr>
<tr>
<td>Combine 1/</td>
<td>$10.25</td>
</tr>
<tr>
<td>Total Fixed Costs 2/</td>
<td>$30.35</td>
</tr>
<tr>
<td>Total Costs</td>
<td>$85.10</td>
</tr>
<tr>
<td>Gross Income - 30 bu.</td>
<td>$90.00</td>
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<tr>
<td>Net Income</td>
<td>$5.10</td>
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</table>

1/ Based on data collected in the rice area less the cost of fertilizer, 1971 crop year.

Table 6. Net Income, Capitalized Value and Market Value of Farm Land by Commodity

<table>
<thead>
<tr>
<th>Commodity</th>
<th>Net Income (per acre)</th>
<th>Capitalized Value (per acre)</th>
<th>Market Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cotton</td>
<td>$13</td>
<td>$130</td>
<td>$640</td>
</tr>
<tr>
<td>Rice</td>
<td>18</td>
<td>180</td>
<td>550</td>
</tr>
<tr>
<td>Soybeans</td>
<td>5</td>
<td>50</td>
<td>380</td>
</tr>
<tr>
<td>Sugar cane</td>
<td>30</td>
<td>300</td>
<td>750</td>
</tr>
</tbody>
</table>

Impact of 100% Assessment on Past Owners and Tenants

Land is one of the four essential resources for farming. In the general areas of the state rice one-half of the land used for production is treated. In some local areas the percent is even higher.

In the rice, sugar cane and cotton areas the percent of rented land and past owners is shown in Table 1 for selected parishes.


<table>
<thead>
<tr>
<th>Parish</th>
<th>Full Owners</th>
<th>Past Owners</th>
<th>Tenants</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acadia</td>
<td>21,130</td>
<td>102,250</td>
<td>59,463</td>
</tr>
<tr>
<td>Jeff Davis</td>
<td>31,060</td>
<td>108,433</td>
<td>34,319</td>
</tr>
<tr>
<td>Vermillion</td>
<td>21,755</td>
<td>105,767</td>
<td>36,172</td>
</tr>
<tr>
<td>Sugar cane</td>
<td>7,160</td>
<td>21,592</td>
<td>16,593</td>
</tr>
<tr>
<td>St. James</td>
<td>3,109</td>
<td>8,169</td>
<td>3,107</td>
</tr>
<tr>
<td>St. Mary</td>
<td>4,055</td>
<td>28,682</td>
<td>19,956</td>
</tr>
<tr>
<td>Nydia</td>
<td>48,185</td>
<td>71,075</td>
<td>32,477</td>
</tr>
</tbody>
</table>


<table>
<thead>
<tr>
<th>Parish</th>
<th>Full Owners</th>
<th>Past Owners</th>
<th>Tenants</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acadia</td>
<td>21,130</td>
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<td>59,463</td>
</tr>
<tr>
<td>Jeff Davis</td>
<td>31,060</td>
<td>108,433</td>
<td>34,319</td>
</tr>
<tr>
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<td>21,755</td>
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</tr>
<tr>
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<td>7,160</td>
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<tr>
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<tr>
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<td>28,682</td>
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</tr>
<tr>
<td>Nydia</td>
<td>48,185</td>
<td>71,075</td>
<td>32,477</td>
</tr>
</tbody>
</table>


<table>
<thead>
<tr>
<th>Parish</th>
<th>Full Owners</th>
<th>Past Owners</th>
<th>Tenants</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acadia</td>
<td>21,130</td>
<td>102,250</td>
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</tr>
<tr>
<td>Jeff Davis</td>
<td>31,060</td>
<td>108,433</td>
<td>34,319</td>
</tr>
<tr>
<td>Vermillion</td>
<td>21,755</td>
<td>105,767</td>
<td>36,172</td>
</tr>
<tr>
<td>Sugar cane</td>
<td>7,160</td>
<td>21,592</td>
<td>16,593</td>
</tr>
<tr>
<td>St. James</td>
<td>3,109</td>
<td>8,169</td>
<td>3,107</td>
</tr>
<tr>
<td>St. Mary</td>
<td>4,055</td>
<td>28,682</td>
<td>19,956</td>
</tr>
<tr>
<td>Nydia</td>
<td>48,185</td>
<td>71,075</td>
<td>32,477</td>
</tr>
</tbody>
</table>

Table 3. Tax Rates Per Acre for Selected Parishes in 1967 and Value of Tax at 100% Assessed on Estimated Current Market Values

<table>
<thead>
<tr>
<th>Parish</th>
<th>Rates Per Acre</th>
<th>Value at 100% Assessed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acadia</td>
<td>40.56</td>
<td>$4,056</td>
</tr>
<tr>
<td>Jeff Davis</td>
<td>39.91</td>
<td>3,991</td>
</tr>
<tr>
<td>Vermillion</td>
<td>57.32</td>
<td>5,732</td>
</tr>
<tr>
<td>LaFourche</td>
<td>71.10</td>
<td>7,110</td>
</tr>
<tr>
<td>St. James</td>
<td>40.54</td>
<td>4,054</td>
</tr>
</tbody>
</table>

It should be realized that the land owner has to pay taxes, insurance and fence repair and in many instances part of the cost of production. Recent tax rates (1967) are shown in Table 3.
It can be seen that if tax rates were increased and land is assessed at 100% assessed value, the land owner would have to increase rent charges to the tenant to maintain his interest in his investment. The data presented below shows that the former (land owner or renter) could not survive over the long run with this added cost.

Table 4 presents the effect that 100% assessment would have on the land owner in the sugar cane area. Even the land rent is not included when the costs of all tangible resources are covered, the return to management is $0.37.

The average tax rate for the three sugar producing parishes mentioned above is 69.70 mills or $3.72 an acre. This would result in $36.50 per acre return to management.

Table 4. Estimated Costs and Returns to Management Per Acre of Sugar Cane and the Cost of Rent at Varying Hils Per Acre of 100% Assessed Value $550 Per Acre Crop Operating Yr.

<table>
<thead>
<tr>
<th>Hils Per Acre</th>
<th>Variable Costs 1/</th>
<th>Value Per Acre</th>
</tr>
</thead>
<tbody>
<tr>
<td>20</td>
<td>207.41</td>
<td>285.23</td>
</tr>
<tr>
<td>30</td>
<td>207.41</td>
<td>285.23</td>
</tr>
<tr>
<td>40</td>
<td>207.41</td>
<td>285.23</td>
</tr>
<tr>
<td>50</td>
<td>207.41</td>
<td>285.23</td>
</tr>
<tr>
<td>60</td>
<td>207.41</td>
<td>285.23</td>
</tr>
<tr>
<td>70</td>
<td>207.41</td>
<td>285.23</td>
</tr>
<tr>
<td>80</td>
<td>207.41</td>
<td>285.23</td>
</tr>
</tbody>
</table>

1/ Land rent not included.

MINUTES
Minutes of the meeting of the Committee on Revenue, Finance and Taxation of the Constitutional Convention of 1973

Committee Room 5, State Capitol
Baton Rouge, Louisiana
Wednesday, July 11, 1973, 10:00 a.m.

Presiding: Sen. B.B. "Sixty" Rayburn, Chairman

Present: John A. Alario
Mrs. Carolyn Badeaux
Sen. James Brown, Jr.
Walter J. Champagne
Lawrence Chehardy
David Comroy
Sen. J.D. De Blieux
Frank Edwards, Jr.
Clyde Fontenot
Herman "Monday" Lowe
Dr. Claude Maubert, Jr.
J.A. McDaniel
Pegram Mire
Aulley Newton
Sen. Samuel Nunez, Jr.
A.J. Planard
Charles E. Roemer, III
Earl J. Schmitt
Charles Slay
Jasper E. Smith
F.D. Winchester

The meeting was called to order and a quorum was ascertained.

Delegate Slay offered a motion to approve the minutes of the meetings of May 10-12 and June 14-16, 1973. There being no objection, it was so ordered.

Delegate Mire, president, La. Assessor's Association, presented a proposal prepared by them at this time with general discussion by the committee following.

Delegate Lowe offered a motion that a letter of receipt be sent to the Student Constitutional Convention for their suggested proposal that was submitted to the committee. There being no objection, it was so ordered.

Delegate McDaniel offered a motion to recess till 9 a.m. July 12, 1973. There being no objection it was so ordered.
July 11, 1973

COMMITTEE ON REVENUE, FINANCE AND TAXATION

ROLL CALL

ALARIO  √
BADROUX  
BROUG  √
CHAMPAIGNE  √
CHEHARDY  √
CONROY  √
DEBLIEUX  √
EDWARDS  √
FLAMAND  √
FURNOY  √
GODBOUT  
GOURCEL  
HAYBUR  √
HERM  √
MABEERET  
MIRE  √
MENTON  √
MUNEE  √
NEILAND  √
PLANCHARD  √
RUFUST  √
SLAY  √
SMITH  √
TRICHE  √
WINCHESTER  

*Check mark- Present  
"X" - Absent

MINUTES

Minutes of the meeting of the Committee
on Revenue, Finance and Taxation of the
Constitutional Convention of 1973

Committee Room 5, State Capitol

Baton Rouge, Louisiana

Thursday, July 12, 1973, 9:00 a.m.

Presiding: Sen. B.B. "Sixty" Rayburn, Chairman

Present: John A. Alario  
Walter J. Champagne  
Lawrence Chehardy  
David Conroy  
Sen. J.D. De Blieux  
Frank Edwards, Jr.  
Clyde Fontenot  
Herman "Monday" Lowe  
J.A. McDaniel  
Dr. Claude Mabbert, Jr.  
Pegram Mire  
Autley B. Newton  
Sen. Samuel Nunez, Jr.  
A.J. Planchard  
Charles E. Roemer, III  
Earl J. Schmidt, Jr.  
Charles Slay  
Jasper K. Smith  
P.D. Winchester

Kisley C. Triche

The meeting was called to order and a quorum was ascertained.

The chairman informed the committee that he had received several requests from persons wishing to make presentations before the committee. It was decided by the committee that a letter should be sent to each person desiring to speak stating that they would be notified of the time and date the committee will hold public hearings. There being no objection, it was so ordered.

The committee then continued their discussions on the property tax proposal submitted by Delegate Mire et al.

Delegate Newton offered a motion to recess for the day subject to call. There being no objection, the meeting stood recessed.

July 12, 1973

COMMITTEE ON REVENUE, FINANCE AND TAXATION

ROLL CALL

ALARIO  √
BADROUX  
BROUG  √
CHAMPAIGNE  √
CHEHARDY  √
CONROY  √
DEBLIEUX  √
EDWARDS  √
FLAMAND  √
FURUST  √
GODBOUT  
MIRE  √
MENTON  √
MUNEE  √
NEILAND  √
PLANCHARD  √
RUFUST  √
SMITH  √
TRICHE  √
WINCHESTER  

*Check mark- Present  
"X" - Absent

MINUTES

Minutes of the meeting of the Committee
on Revenue, Finance and Taxation of the
Constitutional Convention of 1973

Committee Room 4, State Capitol

Baton Rouge, Louisiana

Wednesday, July 18, 1973, 9:00 a.m.

Presiding: Sen. B.B. "Sixty" Rayburn, Chairman

Present: John A. Alario, Jr.  
Walter J. Champagne  
Lawrence Chehardy  
David Conroy  
Sen. J.D. De Blieux  
Frank Edwards, Jr.  
Clyde Fontenot  
Herman "Monday" Lowe  
J.A. McDaniel  
Dr. Claude Mabbert, Jr.  
Pegram Mire  
Autley B. Newton  
Sen. Samuel Nunez, Jr.  
A.J. Planchard  
Charles E. Roemer, III  
Earl J. Schmidt, Jr.  
Charles Slay  
Jasper K. Smith  
P.D. Winchester

Kisley C. Triche
The meeting was called to order and a quorum was ascertained. Delegate Newton presented a proposal on property taxation to the committee at this time prepared by him and several other members of the committee. There was general discussion by the committee with questions being asked of Delegate Newton.

Delegate Newton then offered a motion that the committee recess until such time Friday as the convention schedule would permit. Delegate Mauberret offered a substitute motion that the committee meet Thursday morning at 9 a.m. if the convention does not meet. The substitute motion failed with a vote of 9-10 by the committee.

The committee then recessed at 11:40 a.m.

Chairman

ISSUES TO BE CONSIDERED
BY THE COMMITTEE ON REVENUE, FINANCE AND TAXATION
CONCERNING PROPERTY TAXATION

Constitutional Status of Property Taxation

The legislature (1) can enact legislation on any subject not prohibited by the constitution, and (2) is specifically vested with the power of taxation. Therefore, perhaps the first decision which must be made is: Is it in the best interest of the state to (a) include in the new constitution a provision relative to the ad valorem property tax? or (b) should the matter be left to the legislature?

If constitutional provision is made, the following questions will require consideration:

A. Will the property tax be restricted to the local level, or will the constitution authorize or require both state and local property taxes?

B. If there is a state property tax, should there be a rate limitation?

C. If no state tax is to be provided for, will there be a constitutional prohibition against state ad valorem taxation?

D. Valuation

1. What basis for valuing property will be incorporated into the constitution (if any):
   a. Actual cash value?
   b. Fair market value?
   c. Use value?

2. Should agricultural, horticultural, and timber lands be valued at use value?

E. Classification

1. Should there be classification of property?
   a. Should the legislature be empowered to classify property?
   b. Should classification of property be included in the constitution?

F. Assessment

1. Assessment Value
   a. Should there be a limitation on assessment value?
   b. Should assessment values be in the constitution or in the statutes?
   c. Should property be listed on the assessment rolls at the assessed value or fair market value (use value)?

G. Exemptions

1. Should the constitution contain any exemptions from ad valorem taxes and, if so, which ones? or, should the constitution authorize the legislature to grant any such exemptions and, if so, should any limitation be placed on legislative authority?

2. Homestead
   a. Definition: statutory or constitutional?
   b. Amount: statutory or constitutional?
   c. Should a tax exemption be extended to renters to equalize benefit of homestead exemption granted to homeowners?
   d. Should special treatment be granted veterans?
   e. Should special treatment be granted senior citizens?

H. Assessor

1. Number and selection in Orleans and other parishes.
2. Duties and authority: should these be incorporated into the constitution or left to the statutes?
3. Procedure of assessment: should it be in constitution or statutes?
   a. Should the taxpayer have a right of review of assessment by:
      1. Assessor?
      2. Tax Commission?
      3. Court?
   b. Should there be periodic revaluation and reassessment? Should there be a roll-back provision?
4. Should there be constitutional sanctions for willful error by the assessor in the performance of his duty? Should this be left to the legislature?
5. Should the assessor be bonded?
   a. By constitutional provision?
   b. By statute?

III. Tax Commission: Powers, Duties, and Functions

A. By constitutional provision?

B. By statute?

July 18, 1973

COMMITTEE ON REVENUE, FINANCE AND TAXATION

Roll Call

<table>
<thead>
<tr>
<th>Name</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
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<td></td>
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<tr>
<td>WINCHESTER</td>
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</tbody>
</table>

*Check mark= Present "X" = Absent

Mauberret substitute motion to recess until Tuesday morning at 9 a.m. if the convention does not meet.

Failed 9-10
Minutes of the meeting of the Committee on Revenue, Finance and Taxation of the Constitutional Convention of Louisiana of 1973
Committee Room 4, State Capitol
Baton Rouge, Louisiana
Thursday, July 26, 1973, 9:00 a.m.

Presiding: Sen. B.B. "Sixty" Rayburn, Chairman

Mrs. Carolyn Badeaux
Walter J. Champagne
Lawrence Chehardy
David Conroy
Sen. J.D. De Blieux
Clyde Fontenot
Dr. Claude Mauberret, Jr.
Dr. Claude Mauberret, Jr.
Sen. Samuel Nunez, Jr.
A.J. Planchar
Charles E. Roemer, III
Earl J. Schmitt, Jr.
Charles Slay
Jasper K. Smith

The meeting was called to order by the chairman and a quorum was ascertained.

Delegate Conroy informed the committee that Article IV, Section 4 of the 1921 Constitution concerning special and local laws was being considered by the convention under the Committee on Legislative Powers and Functions’ proposal No. 3.

Since their proposal did not include all of the provisions of the local and special laws as presently in the constitution, Delegate Conroy suggested that the paragraphs of that section assigned to this committee be presented in the form of an amendment to the Committee on Legislative Powers and Functions’ proposal.

Delegate Newton offered a motion that since both committees were considering special and local laws, this should be sent to the coordinating committee for action. There being no objection, it was so ordered.

Delegate Planchar offered a motion that the chairman appoint a delegation of six members to work out the differences in the two proposals concerning Article IV, Section 4 with the representatives of the Committee on Legislative Powers and Functions.

Delegate Chehardy offered a substitute motion for the chairman to appoint four members of the committee to handle the negotiations with the Committee on Legislative Powers and Functions. There being no objection, it was so ordered.

The chairman appointed Delegates Conroy, Newton, Planchar, and Chehardy.

Delegate Newton resumed discussion on the property tax proposal, CC-1151 Newton et al., with the committee.

The committee recessed at 11:50 a.m.

Chairman
CONROY  
DELAUX  
EONAROS  
FONTENOT  
LONE  
McDANIEL  
PARDERRETT  
MIRE  
NEWTON  
NUNES  
PLANCHARD  
RAYBURN  
ROEMER  
SCHMITT  
SLAY  
SMITH  
TRICHÉ  
WINCHESTER

*Check mark- Present
"X" - Absent

MINUTES

Minutes of the meeting of the Committee on Revenue, Finance and Taxation of the constitutional Convention of 1973

Committee Room 4, State Capitol
Baton Rouge, Louisiana
Thursday, August 2, 1973, 9:00 a.m.

Present: Sen. B.B. "Sixty" Hayburn, Chairman

Present: John A. Alario, Jr.
Mrs. Carolyn Badeaux
Sen. James Brown, Jr.
Walter J. Champagne
Lawrence Chehardy
David Conroy
Sen. J.O. De Bieaux
Frank Edwards, Jr.
Clyde Fontenot
Herman "Monday" Lowe
Gr. Claude Maubert, Jr.
Pogran Mire
Autley B. Newton
A.J. Planchard
Charles E. Roemer, III
Earl J. Schmitt, Jr.
Charles Slay
Jasper R. Smith
P.O. Winchester

Absent: J.A. McDaniels
Sen. Samuel Pucez, Jr.
Risley C. Triche

The meeting was called to order and a quorum was ascertained. After a general discussion by the committee on a time and date for public hearings, it was decided that the committee would meet August 7 for that purpose. At that time, anyone wishing to make a presentation on property taxation to the committee could do so.

There being no further questions posed to Delegate Newton concerning his property tax proposal, the chairman asked if there might be someone in the audience who was prepared to make a presentation before the committee to do so at this time.

Mr. Pat Koloski, from the Mayor's Office in New Orleans, came forward to speak to the committee. He stated that the City of New Orleans would prefer determining their own assessment ratio instead of it being fixed in the constitution. (Copy of statement attached hereeto and made a part of these minutes)

The committee recessed at 11:45 a.m.

[Signature]
Chairman

The total land assessment for Orleans Parish is $271,891,747.

If the Central Business District (CBD) land assessment losses (land presently assessed at 33.33% of value) and Lux Carre land assessment losses (land presently assessed at 1% of value), land assessment losses in the Lower Coast of Algiers (land presently assessed at 20% of value), and homeowner assessment losses are taken away from the total land assessment ($271,891,747), taxable land would be equal to only $443,450,045.17.

An explanation of the reduction follows:

1. Reduction of Central Business District land from 33.33% to 5% drops the land assessment from $10,140,300 to $1,470,390

   Lost land assessment $8,669,910

2. Reduction of Lux Carre land from 1% to 5% drops the land assessment from $10,391,600 to $8,080,810

   Lost land assessment $2,310,790

3. The loss in land assessment on the Lower Coast of Algiers equals an estimated $500,000.

   Total homeowner assessment in the Parish of Orleans is $341,904,550. If land assessment represents 15% of that amount, then homeowner assessment losses would be

   $125,319,688

   Total land assessment lost (1, 2, 3, 4)

   Central Business District $443,450,045.17
   Lux Carre $10,140,300
   Lower Coast (Algiers) $500,000
   Homeowner Land $125,319,688

   $618,910,045.17

[388]
Taxes lost as a result of last land assessment

$ 121,049.628

$ 0.057

$ 121,049.685

The total land assessments lost ($121,049.685) subtracted from the present Orleans Parish land assessment ($271,493.747) would result in the new taxable land assessment value for the parish.

$ 143,442.119

Land assessments in Orleans Parish are known to be, at the least, ten (10) percent of value. This new taxable land assessment value ($143,442.119) would, at the present, represent one-tenth of the taxable land value.

Under the proposed five (5) per cent land assessment ratio of the Louisiana Assessors Association, however, this $143,442.119 valuation (10% of value) would be reduced in half----a decrease that would result in a tax loss of $2,919.947.

$143,442.119 (10% of value)

- 71,721.059 (5% of value)

$ 71,721.060 Total land assessment remaining

Taxes lost as a result of reduction of assessment ratio

$ 71,721.059

$ 2,919.947

Total estimated tax loss:

$ 5,211,619

The meeting was called to order by the chairman and a quorum was ascertained. The agenda for the day consisted of a number of speakers wishing to relate to the committee their position on ad valorem taxation.

The chairman recognized the first speaker, Mr. Arthur Webb, of the American Legion who made a brief statement before the committee stating that they would prefer the veteran's exemption be left at $5,000. (Copy of statement attached and made a part of these minutes)

The chairman then recognized the next speaker, Mr. Robert Manard, of the Chamber of Commerce of the New Orleans Area, who informed the committee that they "opposed the assessment plan put forward by the La. Assessor's Association" and would prefer a short statement in the constitution on ad valorem taxation leaving the details to the legislature. (Copy of statement attached and made a part of these minutes)

Mr. E. W. Stagg, executive director of the Council for a Better Louisiana, was next on the agenda to present his views on property taxation. In the conclusion of his comments, he stated, "Let the assessors, with the help of the Tax Commission determine the value of property. Then let whatever assessment ratio is desired be applied to all property alike. Thus you avoid favoritism." (Copy of statement attached and made a part of these minutes)

The chairman recognized the next speaker, Mr. Henri Wolbrette, II, executive vice president, La. Chemical Association. Several of his recommendations to the committee were that homestead exemptions and 10-year industrial property tax exemptions be abolished after the adoption of this constitution. (Copy of statement attached and made a part of these minutes)

Delegate Kooner offered a motion at this time, seconded by Delegate McDaniel, that the Public Affairs Research Council be invited to appear before the committee on a day certain to explain their property tax proposal. After a lengthy discussion, the motion carried with a vote of 11-2 by the committee.

[389]
Delegate De Blieux then offered a motion to allow all of
the remaining speakers to present their testimonies before the
committee at this meeting. Delegate McDaniel offered a
substitute motion that we hear the next speaker on the agenda,
Mr. Thaddeus Marcell, and then recess until 9:00 a.m. the
following day. The substitute motion failed to carry with a
vote of 6-7 by the committee.

The next speaker recognized by the chairman was Mr. Thaddeus
Marcell, of the La. Association of Tax Administrators. His
statements were in reference to Section 4, paragraph (C) of the
committee's final proposal, CC-1076, dealing with a tax on
natural resources severed from the soil or water.

The chairman then recognized Mr. William C. Reeves, of
the Orleans Parish School Board, who urged the committee to
adopt an assessment plan that would be fair and equal, but
yet would not reduce, through action of this convention, the
funds available to local governing bodies. (Copy of statement
attached and made a part of these minutes)

The chairman then recognized the last speaker on the agenda
that was present, Mr. Kirby Ducote, representing the
La. Catholic Conference. Mr. Ducote's comments were in reference
to the exemptions concerning places of religious worship,
nonprofit hospitals, etc.

The committee then recessed at 6:30 p.m. until 9:00 a.m.
Wednesday morning.

Chairman

August 7, 1973

Debbie Pratt
The Chamber of Commerce of the New Orleans Area opposes the
assessment plan put forward by the Louisiana Assessors' Association because:

1. The plan to establish classifications of property reverses
the national trend away from classification. For instance,
Minnesota recently abolished all classifications because
throughout the years special interests had been able to secure
preferred treatment to the extent that almost 100 classes of
property were created. This is only one example to show that
classification systems tend to work for the benefit of those
who can put forward the strongest lobbying programs and thus
work against the groups which are unorganized and which cannot
afford intensive lobbying efforts. In other words, the classi-
ification system works to the benefit of special interests, and is
not, as the assessors claim, a deterrent to those special
interests.

2. The program as introduced is purely demagogic and silly,
appealing to the emotions, and is not accompanied by any re-
search to show its effects. What will it cost the governing
authorities? Will it discourage new business from entering
the area? What will happen to distribution centers which may
find the extra burden on inventory unbearable? We already
know that many distribution centers are leaving the state and going
to Texas because of the inventory tax burden--will this plan
increase this already sizeable loss? Business now pays 75% of
all taxes in Louisiana, which is higher than any other state.
Certainly, under this plan it would pay more.

For instance, Section 9 of the proposal says that public bodies
which levy millage must adjust those millages so no property
downer pays more under the new program than he did under the
old. With the varying assessment ratios in effect in the past
it would be not easy to have uniform millages for almost
seven million properties. In order to do this when all property
is assessed at the same percentage,
this would be impractical, and all.

The Chamber would like the Constitution to limit the
constituti0nal exemption on ad valorem taxes to a simple
statement enabling the legislature and local parish
governments to levy such taxes. Details of such programs
could be traced legally later on, after a study has been
made putting the ad valorem tax in proper perspective
with other tax programs. In other words, after a review of
the entire tax picture—sales, income and ad valorem. In
our opinion, it is improper to consider these separately--
they are all part of the same picture. We ask that the CC-73
Committee on Revenue, Finance and Taxation give the assessors' plan
an unfavorable report.

At the outset, I would like to say that it seems we are now making some
major progress in accepting concepts leading toward an equalization of assess-
ments. This Committee on Revenue and Taxation has proposals which go
considerable distance toward a program for equitable assessment of real property.

It is well that this is so, if for no other reason than that the state
is faced with court decisions which require movement toward equitable administration
of the property tax. Of these two suits, the one to which I would direct your
particular attention is the one filed in our state courts. A district judge has ruled:

1. The Louisiana Tax Commission must perform its assigned
duty under present law to value all property in Louisiana
at actual cash value.
2. The Tax Commission shall take appropriate steps to secure
uniformity and equalization in assessment of property.
3. The Tax Commission has until January 1, 1975 to devise a
plan to meet the first two requirements.

* Statement by Edward W. Stagg, Executive Director,
Council for A Better Louisiana, Baton Rouge, Louisiana.

---2---

I would call your attention to language in the state district court
decision which said, after examining many provisions of Louisiana statutes:

"It, therefore, can be readily seen that there is considerable
merit to the argument that under the existing laws, the Tax
Commission must fix and administer valuation of property in
Louisiana and in such a manner as to insure equality in
assessment. However, the Court is of the opinion that a
stronger foundation for equalization may be laid on the basis
of basic constitutional principles. For it is clear that a
systematic irregularity of assessment of property of the
same class is unconstitutional discrimination against one
who is compelled by such a system to pay more than his fair
share of the aggregate tax."

Elsewhere in the decision, the Court cites extensively rulings of the
district courts requiring equity in assessment of property.

What this means for this Committee is that if a provision is framed
which does not meet the federal constitutional requirements for equity, the
provision in a new constitution can be challenged in the federal courts.

Besides giving full consideration to the requirements of equity, it is
important for this Committee to give consideration also to two other aspects
that are fundamental in taxation.

One of these is that government be assured of the opportunity to
support its functions.

---3---

A second is that the tax structure be as conducive as possible to
promotion of economic growth. Taxes can stifle growth, encourage growth,
or hold a position of neutrality.

On the first point, I would like to call attention to some problems in
the proposals before this Committee. I have some fear that both major
proposals present a prospect of cutting the tax base for support of local
government which could be harmful.

In the proposal commonly referred to as the "assessors proposal,"
the proposed assessments for different classes will result in a reduced tax
base. At least, this is the estimate I would make based on data from the
U. S. Bureau of the Census.

Periodically, the U. S. Bureau of the Census makes an analysis of
assessment levels in each state. The latest is for the year 1967. For
Louisiana, it says the statewide average assessment was 17 per cent on
one method of calculation and 15.3 per cent on a weighted average method.

The figures are based on a sales-ratio study. Such a study automatically
eliminates consideration of utility property since this is not sold. If utility
property were included, the average figures would be shown higher for 1967.
Also, sales of major industrial plants are rare. If industrial assessments were
included through appraisal techniques, I believe the average would have been
raised. It might have been near 20 per cent.

---4---

But we have had some inflation since 1967, and it is possible this has
meant a further reduction in the assessment ratio for much property. Probably,
then, it might be fair to assume that an average ratio for all property in the
state would be 15 per cent or a few percentage points higher.

Now note what is proposed by the assessors. They would have land
assessed at 5 per cent, improvements on the land at 10 per cent, and all other
at 15 per cent. Since the highest ratio would be 15 per cent, the average
would have to be several percentage points less, perhaps three or four. This, then,
would mean an overall reduction in the tax base to perhaps 10 to 12 per cent of
fair market value.

Further, the assessors' proposal would increase homestead exemptions
to $5,000. This would remove more property from the tax base.

Since there are provisions in other proposals for limiting bond issue to
some per cent of the assessed value of property, any reduction in the tax base
will cripple local governments in selling bonds for local improvements.

While it is true the assessors' proposal would maintain income from
property at the present dollar level, where this is possible, the reduction in the
assessment ratio and the increase in exemptions would erode the tax base
for capital purposes.

Moreover, there would be a transfer of much taxation to non homeowners
since many homeowners now paying taxes would pay none. This would shift to
commercial and industrial property, including rental properties.

---5---

In some degree the comments made concerning the assessors' proposal
could apply to the proposal of Delegate Newton.

This proposal of Delegate Newton offers the possibility of an assess-
ment ratio up to 25 per cent. If the ratio were fixed at that level, the higher homestead exemptions of $3,000 would be offset insofar as the tax base is concerned. But if the homestead exemptions are increased and the assessment ratio fixed at even an assumed present rate of 15 per cent, the tax base for bonds could be impaired. If the ratio were set any lower than the present level, the tax base would be seriously impaired.

So, I would suggest that before coming to a conclusion on how these figures are established in the constitution, the Committee seek research to determine the probable effect on support of local government. In 1972, legislation was proposed to set the ratio at 25%, unless changed by the Legislature. This was done to be sure of an adequate tax base in any parish to meet local needs. At the same time a millage roll back was proposed. You may find it desirable to set a definite percent of value in the proposed constitution so as to be able to discuss specific situations. You might wish to set two or three years to achieve the constitutional requirement.

Now on the second major point mentioned concerning concepts of taxation, that having to do with economic impact, I would call your attention to certain figures.

The report of the Louisiana Department of Employment Security for June, the latest available, says the unemployment rate in Louisiana for that month was

-6-

7.8 per cent. This compares with a national average of 4.7 per cent, which is relatively high. In brief, we are in a bad way in offering employment in Louisiana. Unemployment in the Lake Charles and Alexandria areas was reported above nine per cent.

I would call your attention to data from Business Week which publishes every month a table showing changes in personal income for each state. The latest available is for April of this year. This report says that personal income in Louisiana through April of this year was 10.2 per cent over a year ago. That sounds good, except that the national rate of growth was 11.9 per cent. We were in a tie for tenth place in the nation in rate of growth and were third from last among Southern states.

Now I would call your attention to data which I had prepared to find out something of the impact of manufacturing employment on personal income in Louisiana. The data given here is from official federal and state publications.

I would call your attention to this chart which shows that the highest per capita income is found in those five parishes with 9,000 or more manufacturing jobs. The data shows a decline as additional parishes with less manufacturing employment are included. Thus, in 19 parishes with 2,500 manufacturing jobs or more, the average per capita income in 1970 was $3,144. In the 45 other parishes, the average was $2,174. In the bottom 12 parishes, the average was $1,938.

The net impression from these figures -- even granting some other factors may be present -- is that where industry goes, job opportunities increase, and personal income is higher.

-7-

So, it is important in any consideration of a tax structure that it should be one which does not deter industrial growth.

I make this point particularly in connection with the various proposals for classification. If we try to shift onto industry the burden of taxation beyond that which is now imposed on it, we may find ourselves lagging further in our rate of growth.

Though I often hear it said that we don't have to worry about our growth because we have water and mineral resources, the simple fact is that states without our advantages in these areas are outstripping us in their rate of growth. So there are other factors to be considered than natural resources, and the climate of state government as it affects industry and as it may be reflected in tax policies is a factor of importance.

Our neighbor state of Texas a few years ago had a study done to determine the tax burden on industry there as compared to competing states. Louisiana was listed as a competing state. This study showed industry in Texas bore 48 percent of the tax burden while in Louisiana it was 60 per cent. Obviously, industry looks at these figures in making plant local decisions.

I would have this further to say about classification of property for purposes of fixing different assessment ratios, be careful as to what it will do to your tax base. The experience in states which have tried this -- and Minnesota is the major state which has done so -- is that the pressures are always there to reduce the ratio on one class to get down to the level of another. The net effect is an erosion of the tax base for support of local government. Classification sets up a sort of contest to see which group can be best favored.

If you want to move support of all government to the state level and reduce the proportion of local support, adoption of a classification system is one way to promote this.

In conclusion, I would offer one comment. It is that the simplest way is the best way. Let the assessors, with the help of the Tax Commission determine the value of property. This is the essential, difficult first step in property taxation. Then let whatever assessment ratio is desired be applied to all property alike. Thus you avoid favoritism. Additionally, there will be greater stability in the tax structure when the burden is generally shared. If all have to pay a portion of the tax, and this payment is clearly discernible, then chances are tax rates will be reasonable and stable. This stability is an important factor in industry expansion considerations. A final comment is that we must maintain the tax base for local government support. The property tax is a major source for local government support. It would not be good to erode this tax base.

(393)
<table>
<thead>
<tr>
<th>1970 MANUFACTURING EMPLOYMENT</th>
<th>NUMBER PARISHES</th>
<th>1970 PER CAPITA INCOME</th>
</tr>
</thead>
<tbody>
<tr>
<td>9,000 or More</td>
<td>5</td>
<td>$ 3,348</td>
</tr>
<tr>
<td>3,750 or More</td>
<td>10</td>
<td>$ 3,288</td>
</tr>
<tr>
<td>3,000 or More</td>
<td>14</td>
<td>$ 3,185</td>
</tr>
<tr>
<td>2,500 or More</td>
<td>19</td>
<td>$ 3,144</td>
</tr>
<tr>
<td>(ENTIRE STATE)</td>
<td>64</td>
<td>$ 2,828</td>
</tr>
<tr>
<td>Less than 2,500</td>
<td>45</td>
<td>$ 2,174</td>
</tr>
<tr>
<td>Less than 700</td>
<td>12</td>
<td>$ 1,938</td>
</tr>
</tbody>
</table>

Sources:
U. S. Department of Commerce, Bureau of Economic Analysis.
Louisiana Tax Commission.
<table>
<thead>
<tr>
<th>Parish</th>
<th>1970 Manufacturing Employment</th>
<th>1970 Industrial Exemption</th>
</tr>
</thead>
<tbody>
<tr>
<td>Orleans</td>
<td>24,000</td>
<td>$190,423,000</td>
</tr>
<tr>
<td>Jefferson</td>
<td>19,323</td>
<td>189,540,000</td>
</tr>
<tr>
<td>E. Baton Rouge</td>
<td>17,722</td>
<td>532,235,000</td>
</tr>
<tr>
<td>Caddo</td>
<td>14,916</td>
<td>143,051,000</td>
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<tr>
<td>Calcasieu</td>
<td>9,052</td>
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</tr>
<tr>
<td>Ouachita</td>
<td>6,069</td>
<td>70,444,000</td>
</tr>
<tr>
<td>Webster</td>
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<td>25,843,000</td>
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<tr>
<td>Rapides</td>
<td>4,379</td>
<td>83,202,000</td>
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<tr>
<td>St. Tammany</td>
<td>4,018</td>
<td>2,006,000</td>
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<td>St. Bernard</td>
<td>3,777</td>
<td>90,192,000</td>
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<tr>
<td>Washington</td>
<td>3,495</td>
<td>36,446,000</td>
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<tr>
<td>Bossier</td>
<td>3,326</td>
<td>7,071,000</td>
</tr>
<tr>
<td>Lafourche</td>
<td>3,193</td>
<td>9,935,000</td>
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<tr>
<td>Tangipahoa</td>
<td>3,063</td>
<td>6,949,000</td>
</tr>
<tr>
<td>St. Charles</td>
<td>2,891</td>
<td>446,673,000</td>
</tr>
<tr>
<td>Terrebonne</td>
<td>2,698</td>
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<td>Morehouse</td>
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<td>71,954,000</td>
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<tr>
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<td>2,647</td>
<td>94,271,000</td>
</tr>
<tr>
<td>Ascension</td>
<td>2,643</td>
<td>438,115,000</td>
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$ 2,949,906,000

<table>
<thead>
<tr>
<th>Parishes</th>
<th>1970 Per Capita Income</th>
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</thead>
<tbody>
<tr>
<td>1-5</td>
<td>$ 3,348</td>
</tr>
<tr>
<td>1-10</td>
<td>3,288</td>
</tr>
<tr>
<td>1-14</td>
<td>3,185</td>
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<td>1-19</td>
<td>3,144</td>
</tr>
<tr>
<td>All</td>
<td>2,828</td>
</tr>
<tr>
<td>20-64</td>
<td>2,174</td>
</tr>
<tr>
<td>12 lowest</td>
<td>1,938 (under 700)</td>
</tr>
</tbody>
</table>

Total La: $ 4,229,441,000
Top 19 Parishes: $ 2,949,906,000
Percent of Total: 69.7%

Source:
U. S. Department of Commerce, Bureau of Economic Analysis.
Louisiana Tax Commission.
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Table 2
Comparison of Assessment Ratios, Millages and Utility Taxes in 16 Parishes, 1958

<table>
<thead>
<tr>
<th>Parish</th>
<th>Locally Assessed Real Property</th>
<th>Locally Assessed Real Property</th>
<th>Assessed Value Due on Public Utility Public Utility</th>
<th>Assess Value Due on Public Utility Public Utility</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ouachita</td>
<td>19.8%</td>
<td>48.1</td>
<td>$12,000,000</td>
<td>2,144,912</td>
</tr>
<tr>
<td>Calscaieu</td>
<td>14.5</td>
<td>42.1</td>
<td>2,375,740</td>
<td>1,937,772</td>
</tr>
<tr>
<td>Jackson</td>
<td>12.6</td>
<td>42.8</td>
<td>4,653,060</td>
<td>2,964,740</td>
</tr>
<tr>
<td>Allen</td>
<td>9.3</td>
<td>70.4</td>
<td>2,394,690</td>
<td>2,371,324</td>
</tr>
<tr>
<td>Terere</td>
<td>23.1</td>
<td>37.0</td>
<td>1,335,000</td>
<td>615,028</td>
</tr>
<tr>
<td>Tangipahon</td>
<td>10.8</td>
<td>75.8</td>
<td>1,126,510</td>
<td>659,808</td>
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<tr>
<td>West Feliciana</td>
<td>13.5</td>
<td>42.8</td>
<td>2,321,320</td>
<td>458,548</td>
</tr>
<tr>
<td>Livingston</td>
<td>13.1</td>
<td>72.3</td>
<td>1,029,370</td>
<td>145,688</td>
</tr>
<tr>
<td>Red River</td>
<td>15.5</td>
<td>40.8</td>
<td>3,985,440</td>
<td>179,610</td>
</tr>
<tr>
<td>Caddo</td>
<td>19.0</td>
<td>52.7</td>
<td>2,418,360</td>
<td>215,820</td>
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<tr>
<td>Bossier</td>
<td>18.8</td>
<td>49.7</td>
<td>1,639,510</td>
<td>475,585</td>
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<tr>
<td>LaFargebe</td>
<td>13.6</td>
<td>63.6</td>
<td>3,013,270</td>
<td>887,450</td>
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<td>St. Mary</td>
<td>28.5</td>
<td>35.9</td>
<td>2,939,990</td>
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<td>62.7</td>
<td>2,714,490</td>
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Illustrates the difference in taxes paid in parishes where the assessed value of the utility property is almost the same.

The comparison of Ouachita and Calcasieu parishes illustrates the point. Utility property in Ouachita, which is assessed by the tax commission on a scheduled ratio of 40 per cent, had a $29 million assessment and a tax of $1,250,000. In Calcasieu Parish, the utility property was assessed at $26.4 million but paid a property tax of $1.6 million. The reason is that the average millage in Ouachita was 43.1 mills, while it was 62.1 mills in Calcasieu. At the same time, the lower millage in Ouachita reflected a higher assessment level on locally assessed property than was the case in Calcasieu—18.9 per cent in the former as against 14.5 per cent in the latter.

Two other parishes illustrate what might happen if a utility company planned an expansion program. St. Mary and Terrebonne parishes are adjacent. The utility property in St. Mary in 1958 had an assessed value of $9,309,000 and paid a total parish tax of $371,000. In Terrebonne, the utility property had an assessed value of $8,646,000 but paid a tax of $476,000. St. Mary, with a ratio of 32.3 per cent on locally assessed real estate, levied an average millage of 39.9 while Terrebonne, with an 8.7 ratio on locally assessed real estate, levied an average of 53.9 mills. Any expansion of the utility would bear a smaller tax in St. Mary than in Terrebonne. (See Table 2.)

17

HOMESTEAD EXEMPTIONS

Nearly 40 years ago, the country and this state were suffering a great depression. The ad valorem property tax imposed hardship on property owners, and unemployed working men who owned their own homes were unable to find jobs, could not raise money for property taxes, and many lost their homes at tax sales. Governor Huey Long wisely came up with the idea of a homestead exemption with the local taxing units being reimbursed from a Property Tax Relief Fund.

Today, the homestead exemption has turned from the needs of men who couldn't pay property taxes to a concept completely different from its original role. The state has a contract with those now enjoying a homestead exemption. The state is not obligated to future homeowners. I would freeze homestead exemptions to those in effect at the time of the adoption of this constitution.

INDUSTRIAL EXEMPTIONS

The 10-year ad valorem property tax exemption for new or expanding manufacturers was put into the constitution in 1957. The exemption, which was to expire in 1967, was extended to 1977, and in 1977, the Legislature passed the sunset bill which extended the year to 1987. The problem is that the Legislature is now considering extending the exemption to 2007.

The important thing for the chemical industry was the availability of feedstocks, raw materials, fuel, water, transportation, and a number of other factors.

In Louisiana we had three major oil refineries and they were the crucible for the feedstocks. Our leaders at the time realized that if we were to compete with other states for this important new industry, we must make certain our natural advantages were not outweighed by man-made disadvantages.
Louisiana had a lousy reputation throughout the country for government stability, high taxes on business, and a downright unfriendly attitude toward business.

Louisiana also had an ad valorem tax system that could be deadly to a person who intended to invest $20 to $100 million in an operation. In an effort to equalize the tax burden, to take some of the power from local assessing authorities, the 10-year ad valorem property tax exemption was adopted.

It has worked well for the state. It has certainly been partly responsible for our economic development since World War II, but, like the homestead exemption, it should be measured against today’s relevancy.

Is it as important today as it was in 1946? Yes and No.

- 3 -

It is one factor that goes into the computer to determine if Louisiana would be the most desirable location for a manufacturer or the ideal place for an expansion of an existing facility.

If the ad valorem property tax administration continued to operate as it did prior to the two recent court decisions, if the system is changed so as to follow the assessor’s plan and shift all property taxation to business, then the 10-year exemption would still be relevant and most essential.

However, if this constitution adopts an ad valorem property tax system that is equitable to all property owners in this state, then manufacturers certainly should not be given special treatment and aren’t asking for it.

What I have said to this point must be clarified. My recommendations on the changes in exemption policy must be considered only as part of a larger package that includes basic changes in our ad valorem property tax laws and administration.

These basic changes include:

1. Application of ad valorem property taxes exclusively to the land and the improvements thereon.

   This step would eliminate the need for dozens of present ad valorem tax exemptions such as those boats, out agricultural implements, on monies and credits, movable household furnishings, stocks and bonds which are practically incapable of assessment and taxation, and others.

   This would eliminate the assessment of ad valorem property taxes on inventories upon which sales taxes are paid when sold and income tax paid by the person making a profit on their sale.

   This would simplify the administration of ad valorem taxes and make for greater accountability.

2. Listing of all property subject to ad valorem property taxation on the assessment rolls at either its fair market value or a percentage thereof.

   It is of paramount importance here that the legislature should establish, (1) a state-wide taxable rate to be applied to all property uniformly assessed at its fair market value and, (2) a definition of fair market value and the methods to be used in determining it.

3. No classification of taxable property. If certain types of property are classified in the constitution, you are locked into that. If the legislature begins classification, it is endless. For example, there could be classifications for soy bean land, sugar cane land, cotton land, cottonseed land, tobacco land, brick houses, stucco houses, wooden houses, houses with two bathrooms, with one bathroom, ‘cues with brick fences, those with picket fences, refrabricsed houses, those with iron plumbing pipe, with plastic plumbing pipe, and infinitum.

- 4 -

4. Removal of millage limitations from the constitution, but with no limitation on the right of the legislature to enact such limitations on a state-wide basis if it felt it was necessary.

One of the problems with millage is the fact that so many people who will not have to pay for additional tax millage to impose it. In some areas of this state where a great number of voters are completely covered by homestead exemption on their property, they could still vote to increase millage on non-owners. This might be one explanation of why 76 percent of all ad valorem property taxes in Louisiana are paid by business and industry.

If, on the other hand, the ad valorem property tax was uniformly applied to all land and improvements thereon, every voter would then be paying some portion of the increased millage and it would act as a safety valve against precipitous increases.

By removal of constitutional limitations, much greater flexibility in local financing would be made possible.

5. Finally, once the constitution is cleaned up of ad valorem property tax exemptions, it might be a good idea to keep it clean so that the new convention in 2023 won’t have to fight this battle all over again.

One way would be to provide that if any constitutional exemptions are voted after the adoption of this new constitution, the state must reimburse the local taxing districts the full amount they will lose at the time of the amendment’s adoption because of the exemption.

I feel this would tend to make any new exemptions be provided by statute rather than by the constitution and would be able to keep the exemption subject to constant reappraisal by the legislature.

I feel the suggestions I have made today will bring much needed equity in future ad valorem property taxation, will not do violence to any existing right or benefit any citizen (private or corporate) is enjoying and will provide a more viable tax base for the future needs of the state and its citizens.

- 5 -

ORELANS PARISH SCHOOL BOARD

STATEMENT OF THE ORELANS PARISU SCHOOL BOARD TO THE REVENUE, FINANCE AND TAXATION COMMITTEE OF THE CONSTITUTIONAL CONVENTION

AUGUST 7, 1973

I am Dr. William O. Reeves, 4154 Cleveland Avenue, New Orleans, and a member of the Orleans Parish School Board. The Board is pleased to have this opportunity to address you with reference to plans for assessment. The property tax accounts for about half of the local revenue used to support public schools in New Orleans, but the amount brought in, some $26,000,000 in 1972-73, is directly related to the level and type of assessment.

The Orleans Parish School Board urges you to adopt an assessment plan that is fair and equal yet does not reduce, through action of this convention, the funds available to local governing bodies. Accordingly we are unanimously opposed to any plan that would reduce property taxes available to school boards and other governing bodies and to any plan that would impose an intolerable burden on any class of property.

Just as you do not want to increase taxes, so do not jeopardize your constructive work by undermining the property tax base of our important local governing bodies.

MICHAIL BAYER BUILDING

NICHOLAS BAYER BUILDING Telephone: 524-5893
739 CARNOY STREET • NEW ORLEANS • LOUISIANA 70110

PROPOSED REVISION OF ARTICLE X, SECTION 1

Louisiana Constitution of 1921

8 Taxing power; specific taxes

Section 1. Vesting of power, assessments and valuations.

The power of taxation shall be vested in the Legislature, shall never be surrendered, suspended or contracted away, and shall be levied and collected for public purposes only.

Section 2. Assessment and valuations.

All ad valorem taxes shall be uniform throughout the territorial limits of the authority levying the tax, and all such property shall be valued at current market value and assessed at 25 per cent thereof, or as determined by the Legislature.
upon a vote of two-thirds of the elected membership of each house. The
proportion of current market value herein fixed, or as determined by the Legislature,
shall be the assessment for taxation for state and local purposes. All taxpayers
shall have the right of testing the correctness of their valuations before the courts
at the domicile of the assessing authority, or as may be directed by law.

Section 1. Restrictions

Upon adoption of this Constitution, each taxing authority shall apply
millage rates to property within its jurisdiction so that the revenue from the whole
of the property subject to that taxing authority shall not produce revenue in excess
of the amount produced from the whole of that property in the year preceding
adoption of this Constitution, except as new property may be added to the rolls
and as the electors of any taxing authority may approve millage rates to produce
higher revenue in an election called for that purpose according to law.

MINUTES

Minutes of the meeting of the Committee
on Revenue, Finance and Taxation of the
Constitutional Convention of 1973
Committee Room 4, State Capitol
Baton Rouge, Louisiana
Wednesday, August 8, 1973, 9:00 a.m.

Presiding: Charles E. Roemer, III, Secretary of the
Committee on Revenue, Finance and Taxation

Present: John A. Alario, Jr. Absent: Mrs. Cerolyn Badeaux
Lawrence Chohardy Frank M. Edwards, Jr.
David Conroy Sen. B.B. "Sixty" Rayburn
Clyde Fontenot Jasper K. Smith
Norm "Monny" Lowe Risley C. Triche
J.A. McDaniel
Dr. Claude Mauberret, Jr.
Pegram Mire
Autley B. Newton
Sen. Samuel Nunez, Jr.
A.J. Planchard
Earl J. Schmitt, Jr.
Charles Ray
F.D. Winchester

The meeting was called to order by the acting chairman
and a quorum was ascertained. The agenda for the day was to
hear Mr. Ed Steimel, executive director of the Public Affairs
Research Council.

Mr. Steimel handed to each committee member a copy of a
commentary entitled "The Property Tax" prepared by PAR. The
booklet gave the pro's and con's of the assessor's proposal
and the alternative proposal, also calling attention to the
major issues involved such as classification, the homestead
exemption, and industrial tax exemptions. Mr. Steimel explained
the views and facts stated in the commentary to the committee,
and gave them a few of his thoughts on what should be in the
constitution regarding property taxes.

After a lengthy discussion with Mr. Steimel, the committee
recessed at 12:00 noon.

Chairman

August 9, 1973

Committee on Revenue, Finance and Taxation

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MINUTES

Minutes of the meeting of the
Committee on Revenue, Finance
and Taxation of the Constitutional
Convention of 1973
Committee Room 4, State Capitol
Baton Rouge, Louisiana
Thursday, August 16, 1973, 5:30 p.m.

Presiding: Sen. B.B. "Sixty" Rayburn, chairman

Mrs. Carolyn Badeaux Frank M. Edwards, Jr.
Walter J. Champagne Autley B. Newton
Lawrence Chohardy A.J. Planchard
David Conroy Charles Slay
Sen. J.D. Do Bliciu Risley C. Triche
Clyde Fontenot F.D. Winchester
Norm "Monny" Lowe
J.A. McDaniel
Dr. Claude Mauberret, Jr.
Pegram Mire
Sen. Samuel B. Nunez, Jr.
Earl J. Schmitt, Jr.
Charles Ray
F.D. Winchester

The meeting was called to order by the chairman and a
quorum was ascertained.

Discussion was held by the committee on a time and date
to vote on the two proposals on property taxation up before
the committee at this time. Delegate Mire offered a motion
that the committee meet Tuesday of next week to take a final
vote on these proposals. Delegate Conroy offered a substitute
motion that the committee meet Wednesday after adjournment
of the convention. There being no objection to the substitute
motion, it was so ordered.

Delegate Winchester offered a motion that copies of the
two current proposals on property taxation be mailed to those members not present at this meeting. Delegate De Blieux offered a substitute motion for copies of the two current proposals to be delivered to each committee member at the convention by Friday. There being no objection to the substitute motion, it was so ordered.

Delegate Mire offered a motion to adjourn till Wednesday. There being no objection, it was so ordered.

August 16, 1973

COMMITTEE ON REVENUE, FINANCE AND TAXATION

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MINUTES

Minutes of the meeting of the
Committee on Revenue, Finance and Taxation of the Constitutional Convention of 1973

Committee Room 4, State Capitol
Baton Rouge, Louisiana

Wednesday, August 22, 1973, 5:00 p.m.

Presiding: Sen. B.B. "Sixty" Rayburn, chairman

Present: John A. Alario, Jr.
Mrs. Carolyn Badeaux
Walter J. Champagne
Lawrence Chehardy
David Conroy
Sen. J.D. De Blieux
Frank M. Edwards, Jr.
Clyde Fontenot
Paul H. Goldman
Herman "Monday" Lowe
J.A. McDaniel
Dr. Claude Mauberret, Jr.
Peggye Mire
Autley B. Newton
Sen. Samuel B. Nunez, Jr.

A.J. Planchnard
Charles E. Roemer, III
Earl J. Schmitt
Charles Slay
Jasper K. Smith
P.D. Winchester

The meeting was called to order by the chairman and a quorum was ascertained. Chairman Rayburn introduced Paul H. Goldman, Monroe, La., who has been appointed to replace Delegate Triche, resigned.

Delegate Mire introduced at this time the tax assessors that were present in the audience.

Delegate Smith offered a motion to take up the Newton proposal first. Delegate Mire offered a substitute motion to take up the assessor's proposal as a whole and vote.

Delegate Smith moved the previous question. The substitute motion carried with a vote of 12-11 by the committee.

Delegate Mire moved the previous question and was allowed to close on his motion. There being objection, a vote occurred on the previous question. The motion carried with a vote of 12-11.

The final vote occurred on the assessor's proposal and it was adopted with a vote of 12-10 by the committee.

Delegate Nunez offered a motion for adjournment at 5:45 p.m. There being no objection, it was so ordered.

August 22, 1973

COMMITTEE ON REVENUE, FINANCE AND TAXATION

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Mire's substitute motion to take up assessor's proposal first.

CARRIED - 12-11

Vote on the previous question.

CARRIED - 19-2

Vote on the assessor's proposal.

CARRIED - 12-10
ARTICLE XI. REVENUE AND FINANCE

Section 1. Property Taxation

Section 1. (A) All property subject to ad valorem taxation shall be listed on the assessment rolls at its assessed valuation which shall be a percentage of its fair market value. Such percentage of fair market value shall be uniform throughout the state upon the same class of property.

(B) Except as hereinafter provided, the assessed valuation of all property subject to ad valorem taxation shall be fifteen percent of its fair market value as to land and residential property and twenty percent of its fair market value as to all other property. The legislature, by favorable vote of two-thirds of the elected membership of each house, may classify and reclassify property and fix and alter percentages of fair market value at which property is to be assessed, provided that such percentage of fair market value shall not exceed twenty-five percent for any property, and for land and residential property shall not exceed the lesser of (1) fifteen percent or (2) the percentage at which any other tangible property subject to ad valorem taxation is assessed.

(C) The legislature shall provide that agricultural, horticultural, and timber lands be assessed for the purpose of taxation at a percentage of its use value rather than its fair market value, which use value shall for all purposes be treated as the fair market value of such property.

(D) All property subject to taxation shall be reappraised at intervals of not more than five years.

Section 2. Assessment of Property

Section 2. Except as to such categories of property as the legislature may require that the Louisiana Tax Commission determine fair market value, fair market value and use value where appropriate shall be determined by the assessors in the respective parishes, subject to review by the governing authority of each parish, by the Louisiana Tax Commission, and the courts in accordance with procedure established by law.

Section 3. Exemptions

Section 3. The following property, and no other, shall be exempt from taxation: (A) Homesteads. From state, parish, and special taxes, the homestead, bona fide, consisting of a tract of land, or two or more tracts of land with a residence on one tract and a field, pasture, or garden on the other tract or tracts, not exceeding one hundred and sixty acres, buildings and appurtenances, whether rural or urban, owned and occupied by every head of a family, or person having a mother or father, or a person or persons dependent on him or her for support, in the full amount of three thousand dollars of the assessed valuation; provided that this exemption shall not extend to any municipal or city taxes, save and except in Orleans Parish, and shall in Orleans Parish apply to the state, the general city, the school, the levee, and levee board taxes. The exemption of homesteads shall extend to the surviving spouse, or minor child or children, of a deceased owner and to the bona fide homestead when occupied as such and title thereto is in either husband or wife, provided that the exemption shall not be extended to more than one homestead owned by the husband or wife. An additional two thousand dollar homestead exemption shall be provided for veterans. An additional two thousand dollar homestead exemption for all other than veterans upon reaching age 65 shall be provided. Applications shall be made yearly and the term veteran and any other explanation of this matter shall be as defined by the legislature.

(E) All public property.

(F) Places of religious worship; property owned by religious denominations and used as residences for ministers; places of burial, and property held by any religious denomination or nonprofit corporation or organization for burial purposes, but the exemption shall not apply to unsold lots, crypts, or places for burial, nor shall it apply to lots held for development as places for burial, when so held for profit; places devoted to charitable undertakings, including that of such organizations as lodges and clubs organized for charitable and fraternal purposes and practicing the same; schools and colleges; nonprofit hospitals; but the exemption shall extend only to property, and grounds thereunto appurtenant, used for the above mentioned purposes, and not leased for profit or income.

(G) Cash on hand or deposit; obligations secured by mortgage on property located in Louisiana and the notes or other evidence thereof; loans by life insurance companies to policy holders, if secured solely by their policies; the legal reserve of domestic life insurance companies; loans by homestead or building and loan associations to their members, if secured solely by stock of said associations; debts due for merchandise or other articles of commerce or for services rendered; obligations of the state or its political subdivisions; all personal property used in the home or on loan in a public place; agricultural products while owned by the producer, agricultural machinery and other implements used exclusively for agricultural purposes, and all animals on the farm, and property belonging to agricultural fair associations; all property used for cultural or civic activities and not operated for profit to the owners; all oceangoing vessels engaged in international trade and domiciled in Louisiana.

22 1973 or international to property engaged in international trade and domiciled in Louisiana, but this exception shall not apply to harbor, wharf, shed, and other port dues, and no vessel operated in the coastal trade of the continental United States shall be within the exemption herein granted; boats using gasoline as motor fuel; commercial vessels used for gathering seafood; and rights-of-way granted to the State Department of Highways.
(E) From state, parish, and special taxes, all motor vehicles used on the public highways of this state, provided that this exemption shall not extend to any general or special tax levied by the governing authority of any municipality, or district created by any such municipality, unless the governing authority thereof shall provide for such exemption by ordinance or resolution.

(F) The State Board of Commerce and Industry, with the approval of the governor, and the local governing authority may enter into contracts for the exemption of any new manufacturing establishment or any addition or additions to any manufacturing establishment already existing in the state upon such terms and conditions as the board, with the approval of the governor, and the local governing authority, may deem to be to the best interest of the state. The terms "manufacturing establishment" and "addition" or "additions" as used in this Paragraph mean a new plant or establishment or an addition or additions to any existing plant or establishment which engages in the business of working raw materials into wares suitable for use or which gives new shapes, new qualities, or new combinations to matter which already has gone through some artificial process. No exemption shall be contracted for any new manufacturing establishment in any locality where there is a manufacturing establishment actually engaged in the manufacture of the same or closely competitive articles without the written consent of the owner of such existing manufacturing establishment to be attached to and identified with the contract of exemption. No exemption from taxes shall be granted under the authority of this Paragraph for a longer initial period than five calendar years from the date of the execution of the contract of exemption or five calendar years from the date of the completion of the construction as described in the contract for tax exemption, the commencement of the exemption upon either of such dates to be specified in the contract at the discretion of the State Board of Commerce and Industry and subject to approval by the governor. Upon application within ninety days before the expiration of the initial period of five years, and upon proper showing of a full compliance with the contract of exemption by the contractee, any exemption granted under the authority of this subsection shall be renewed for an additional period of five calendar years. Any such exemption shall ipso facto cease upon violation of the terms and conditions of the contract which granted the same. All property exempted, in accordance with the provisions of the paragraph shall be listed on the assessment rolls and submitted to the Louisiana Tax Commission, but no taxes shall be collected thereon during the period of exemption. On January first following the expiration of any contract of exemption entered into under this Paragraph, and for each year thereafter, all property exempted by any such contract shall be listed on the assessment rolls and shall be assessed at the end of the tax exemption period at not more than the average assessment ratio on all other property assessed by the assessor in the parish in which the property is located. To determine the assessment ratio of locally assessed property, the Louisiana Tax Commission shall annually determine in each parish the assessed value of all locally assessed property in relation to actual value. All taxes imposed upon such property shall be collected in the manner provided by law.

(G) (1) All raw materials, goods, commodities, and articles imported into this state from outside of the continental United States:

(a) So long as such imports remain upon the public property of the port authority or docks of any common carrier where such imports first entered this state, or

(b) So long as any such imports (other than minerals and ores of the same kind as any mined or produced in this state and manufactured articles) are held in this state in the original form in bales, sacks, barrels, boxes, cartons, containers, or other original packages, and raw materials held in bulk as all or a part of the new material inventory of manufacturers or processors, solely for manufacturing or processing; or

(c) So long as any such imports are held by an importer in any public or private storage in the original form in bales, sacks, barrels, boxes, cartons, containers, or other original packages and agricultural products in bulk. This shall not apply to a retail merchant holding such imports as part of his stock in trade for sale at retail.

All such property whether entitled to exemption or not shall be reported to the proper taxing authority on the forms required by law.

(2) All raw materials, goods, commodities, and other articles being held upon the public property of a port authority or docks of any common carrier or in a warehouse, grain elevator, dock, wharf, or public storage facility in this state for export to a point outside the continental United States.

All such property entitled to exemption shall be reported to the proper taxing authority on the forms required by law.

(3) All goods, commodities, and personal property in public or private storage while in transit through this state which is (a) moving in interstate commerce through or over the territory of the State of Louisiana, or (b) which is in public or private storage within the State of Louisiana having been shipped thereto from outside of the State of Louisiana for storage in transit to a final destination outside of the State of Louisiana, whether such destination was specified when transportation begins or afterward. All such property whether entitled to exemption or not shall be reported to the proper taxing authority on the forms required by law.

Section 4. Adjustment of Ad Valorem Tax Millages

The amount of taxes collected from a particular millage levied by any taxing authority shall not be increased or decreased because of the method of assessing property at a uniform ratio of assessment to value as provided in Article XII, Section 1, or because of any subsequent change in percentage of fair market value established by the legislature for assessment and it shall be the mandatory duty of all public bodies that levy millage to adjust the millage proportionate to the adjustments in assessment values so as to
The meeting was called to order by the chairman and a quorum was ascertained. The purpose of the meeting was to allow the committee members to introduce any new delegate proposals or committee proposals before the deadline of Sept. 5. There were several suggestions offered by the delegates as to needed changes in the committee's proposal no. 15.

Delegate Conroy offered a motion for the committee to review the finance section of the Committee on Local and Parochial Government's proposal since it was similar to this committee's proposal. There being no objection, it was so ordered.

Delegate Edwards offered a motion for adjournment. There being no objection, the committee adjourned at 7:00 p.m.

Chairman

8-29-73

Minutes of the meeting of the Committee on Revenue, Finance and Taxation of the Constitutional Convention of 1973
Committee Room 4, State Capitol
Baton Rouge, Louisiana
Wednesday, August 29, 1973, 5:30 p.m.

Presiding: Sen. B.B. "Sixty" Rayburn, chairman

Mrs. Carolyn Badeaux  J.A. McDaniel
Walter J. Champagne  Aulley B. Newton
Lawrence Chehardy  Charles E. Roemer, III
David Conroy  Earl J. Schmitt
Sen. J.D. De Blieux  Jasper K. Smith
Frank M. Edwards, Jr.
Clyde Fontenot
Paul H. Goldman
Herman "Monday" Lowe
Dr. Claude Mauherret, Jr.
Pegram Mire
A.J. Planchard
Charles Slay
F.D. Winchester

The meeting was called to order by the chairman and a quorum was ascertained. The purpose of the meeting was to allow the committee members to introduce any new delegate proposals or committee proposals before the deadline of Sept. 5. There were several suggestions offered by the delegates as to needed changes in the committee's proposal no. 15.

Delegate Conroy offered a motion for the committee to review the finance section of the Committee on Local and Parochial Government's proposal since it was similar to this committee's proposal. There being no objection, it was so ordered.

Delegate Edwards offered a motion for adjournment. There being no objection, the committee adjourned at 7:00 p.m.
exemptions listed in Committee Amendment No. 1 be transferred to a schedule subject to change by a two-thirds vote of the legislature.

After much discussion with no action being taken, Delegate Nunez offered a motion to adjourn. There being no objection, it was so ordered.

VICE CHAIRMAN

[Signature]

[404]
such imports as part of his stock-in-trade for sale at retail. All such property whether entitled to exemption or not shall be reported to the proper taxing authority on the forms required by law. (2) All raw materials, goods, commodities, and other articles being held upon the public property of a port authority or docks of any common carrier or in a warehouse, grain elevator, dock, wharf, or public storage facility in this state for export to a point outside the continental United States, All such property entitled to exemption shall be reported to the proper taxing authority on the forms required by law. (3) All goods, commodities, and personal property in public or private storage while in transit through this state which is (a) moving in interstate commerce through or over the territory of the State of Louisiana; or (b) which is in public or private storage within the State of Louisiana having been shipped thereto from outside of the State of Louisiana for storage in transit to a final destination outside of the State of Louisiana, whether such destination was specified when transportation began or afterward. All such property whether entitled to exemption or not shall be reported to the proper taxing authority on the forms required by law.

AMENDMENT NO. 2
On page 2, at the beginning of line 26, delete "(b)" and insert in lieu thereof "(H)."

MINUTES
Minutes of the meeting of the Committee on Revenue, Finance and Taxation of the Constitutional Convention of 1973
Committee Room 4, State Capitol
Baton Rouge, Louisiana
Friday, September 14, 1973, 9:00 a.m.

Presiding: Sen. B.B. "Sixty" Rayburn, Chairman

Present: Mrs. Carolyn Badeaux
Sen. James Brown
Walter J. Champagne
David Conroy
Sen. J.D. DeBlieux
Clyde Fontenot
Paul H. Goldman
Herman "Monday" Lowe
J.A. McDaniel
Dr. Claude Nauberret, Jr.
Poyram Wire
Aurley B. Newton
Sen. Samuel B. Nunez, Jr.
A.J. Planchard
Charles E. Roemer, III
Earl J. Schmitt
Charles Slay
Jasper K. Smith

The meeting was called to order by the chairman and a quorum was ascertained.

The Subcommittee on Finance of the Committee on Local and Parochial Government met with this committee to discuss the conflicts that are present in the two proposals - CP 17 and CP 15.

Sections 8 and 9 - powers given under the home rule charter and nonhome rule charcter. Some concern was expressed over the change in the theory of the present constitution regarding powers of local political subdivisions. Under CP 17, Section 8 and 9 and related sections, local governmental units are all powerful except where their authority is restricted by other provisions of CP 17. Under present Louisiana law, local governmental subdivisions have only what authority has been conferred on them by the legislature or in the case of home rule charter what authority is conferred by said charter. Must discussion concerning part 2, the finance section, of CP 17 occurred on the millage limitations contained in Section 31 of CP 17. It was explained that under this section millage rates could be increased without limitation except for the requirement of approval by a majority of the electors who voted in an election held for that purpose. Some members expressed concern whether this "open end" increase in millage provisions would be desirable.

The committee discussed Section 33 of CP 17 regarding the imposition of occupational license taxes by local political subdivisions. It was pointed out that Section 33 of CP 17 conflicts with CP 17 provision prohibiting the levy of an occupational license tax by a local political subdivision where such would exceed the rate of the state occupational license tax. The Committee on Local and Parochial Government stated that they would take this back to their committee for discussion.

The committee discussed Section 34 of CP 17 regarding sales tax by local political subdivisions, although, no conflict exists between CP 17 and CP 15 and 26.

The committee also considered Section 37 of CP 17. Heated discussion occurred concerning this section which prohibits the state from levying an ad valorem tax. Under CP 26 the state is not prohibited from levying an ad valorem tax if the legislature should so decide. Delegate Chalin Perez explained to this committee that the Committee on Local and Parochial Government felt that local political subdivisions must be assured of adequate future income. Delegate Perez pointed out that since local political subdivisions would not be able to levy severance taxes, income taxes, and other taxes which only the state may levy, that local political subdivisions need to be assured of some source of income. Delegate Perez indicated that this was a matter which would have to be decided on the convention floor.

Section 50 of CP 17 was discussed by the committee since the section does contradict with CP 15 in so far as CP 15 requires that the moneys of all state boards, agencies, and commissions be deposited directly into the state treasury. Some members expressed concern that this conflict should be alleviated.

Several other sections of CP 17 were briefly discussed by the committee; however, no conflicts exist between these other sections of CP 15, 26 and CP 17.

Delegate Nunez offered a motion to recess subject to call. There being no objection, the meeting recessed at 11:50 a.m.
At one point Delegate Schmitt offered a motion that the committee take up Section 16 of CP 17 for discussion. Delegate Conroy offered a substitute motion that the Committee on Local and Parochial Government along with this committee discuss a list of four amendments that he had prepared that would possibly resolve a few of the conflicts that exist between the two proposals. The substitute motion carried unanimously. The two committees then proceeded to discuss each of the amendments proposed by Delegate Conroy to CP 17. Although no action was taken at this meeting, the Committee on Local and Parochial Government did agree to bring these amendments to the attention of the whole committee at their next meeting.

The meeting recessed at 11:55 a.m.

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**COMMITTEE ON REVENUE, FINANCE AND TAXATION**

**ROLL CALL**

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**COMMITTEE ON REVENUE, FINANCE AND TAXATION**

**September 20, 1973**

**ROLL CALL**

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**MINUTES**

Minutes of the meeting of the Committee on Revenue, Finance and Taxation of the Constitutional Convention of 1973

Committee Room 5, State Capitol
Baton Rouge, Louisiana

Thursday, September 20, 1973, 9:00 a.m.

Presiding: Sen. B.B. “Sixty” Rayburn, Chairman

Present: Mrs. Carolyn Badeaux
Sen. James Brown
Walter J. Champagne
Lawrence Chenard
David Conroy
Sen. J.D. De Blieux
Frank Edwards
Paul H. Goldman
Herman “Monday” Lowe
J.A. McDaniel
Dr. Claude Mauberret, Jr.
Pegram Mire
Austen B. Newton
Sen. Samuel B. Nunez, Jr.
Earl J. Schmitt
Charles Slay
Jasper K. Smith
P.D. Winchester

The meeting was called to order by the chairman and a quorum was ascertained.

The Committee on Local and Parochial Government met with this committee to discuss again the conflicts that are present between CP 17 and CP 15. Discussion followed along the same lines as the meeting of September 14, 1973. (Refer to September 14, 1973 minutes for further information.)
Delegate Nunez offered another motion to adjourn. The motion failed to carry with a vote of 7-11 by the committee.

Delegate Newton moved the previous question again on the original motion to adopt an amendment to include stocks and bonds in the list of exemptions. The motion for the previous question failed to carry with a vote of 8-9 by the committee.

Delegate Lowe offered a motion to adjourn. There being no objection, it was so ordered.

Chairman Rayburn asked the committee if there might be any further questions on the Local and Parochial Government proposal. There being none, the chairman informed the committee that action needed to be taken on the list of exemptions previously discussed by the committee and set out in Committee Amendment No. 1 (copy attached hereto and made a part of these minutes). Delegate Conroy offered a motion to adopt a substitute amendment to insert on page 2, of CP 26, line 28, after the word "legislature" the following: "All exemptions from ad valorem taxation presently provided in the Constitution of 1921, as amended, other than the homestead and veterans exemptions provided therein, shall remain in effect subject to amendment or repeal by the vote of two-thirds of the elected membership of each house of the legislature." The substitute motion failed with a vote of 13-5 by the committee. There being no objection to the original motion, the list of exemptions as set out in Committee Amendment No. 1 were adopted.

Delegate Goldman offered a motion to adopt an amendment to add "stocks and bonds" to the list of exemptions. After a lengthy discussion on the amendment by the committee, Delegate Winchester offered a substitute motion to defer action on this amendment and requested that public hearings be held concerning the issue of exempting stocks and bonds. After brief discussion, Delegate Alario moved to adjourn. The motion failed to carry with a vote of 7-11 by the committee.

Delegate Fontenot then moved the previous question on Delegate Goldman's motion to adopt an amendment to include stocks and bonds in the list of exemptions. The motion on the previous question failed to carry with a vote of 9-10 by the committee.

A vote then occurred on Delegate Winchester's substitute motion to defer action and the substitute motion failed to carry with a vote of 8-10 by the committee.

Delegate Fontenot again moved the previous question on Delegate Goldman's amendment. The motion for the previous question failed to carry with a vote of 9-10 by the committee.
LOWE  yes  no  yes
MCDANIEL  yes  no  yes
MAUBERT  yes  no  no
MIRE  yes  no  no
NEWTON  yes  no  no
NUEZ  yes  no  no
PLANCHARD  no  no  no
RAYBURN  no  no  no
ROKET  no  no  no
SCHMITT  yes  no  no
SLAY  yes  no  no
SMITH  no  no  no
WINCHESTER  no  no  no
ROLL CALL  prev. question on Goldman amendment - FAILED 7-11  prev. question on Goldman amendment - FAILED 8-9

COMMITTEE AMENDMENT
AUG 17
Amendment proposed by Committee on Revenue, Finance, and Taxation
in Committee - Proposal No. 26
by Delegate Rayburn, et al.
Amend printed - Proposal No. 26
as follows:

AMENDMENT NO. 1
On page 2, between lines 25 and 26, add the following:

"(D) All public property.
(C) Places of religious worship; property owned by religious denominations and used as residences for ministers; places of burial; and property held by any religious denomination or nonprofit organization for burial purposes, but the exemption shall not apply to unowned lots, crypts, or places for burial, nor shall it apply to lands held for development purposes, or if assigned to or held for religious or charitable purposes, or if designated as parks or playgrounds; or to places devoted to charitable or educational purposes and practicing the same; schools and colleges; nonprofit hospitals; but the exemption shall extend only to property, and grounds thereunto appurtenant, used for the above-mentioned purposes, and not leased for profit or income.
(D) Cash on hand or deposit; obligations secured by mortgages or loans of Louisiana and the notes or other evidence thereof; loans by life insurance companies to policyholders, if secured solely by their policies; the legal reserve of domestic life insurance companies; loans by homestead and building and loan associations to their members, if secured solely by stock of said associations; debts due for merchandise or other articles of commerce or for services rendered; obligations of the state or its political subdivisions; all personal property used in the home or on the farm in a public place; agricultural products owned by the producer; agricultural machinery and other implements used exclusively for agricultural purposes, and appurtenant to such; and property belonging to agricultural fair associations; all property used for charitable or civic activities and not operated for profit to the owners: all oceangoing vessels engaged in international trade and domiciled in Louisiana ports; such vessels shall not apply to harbor, wharf, shed, and other port dues; and no vessel operated in the coastal trade of the continental United States shall be within the exemption herein granted; boats using gasoline motor fuels for commercial vessels used for gathering seafood; and rights-of-way granted to the State Department of Highways.
(E) From state, parish, and special taxes, all motor vehicles used on the public highways of this state, provided that this exemption shall not extend to any general or special tax levied by the governing authority of any municipality, excepted by any such municipality, the governing authority of which, in the discretion of the governing authority of any new manufacturing establishment or an addition or additions to any existing manufacturing establishment already
Constitutional Convention of 1973

Committee Room 4, State Capitol
Baton Rouge, Louisiana
Thursday, September 27, 1973, 9:00 a.m.

Presiding: Sen. B.B. "Sixty" Rayburn, Chairman

Mrs. Carolyn Badaux Clyde Fontenot
Walter J. Champagne J.A. McDaniel
Lawrence Chehardy Dr. Claude Rabuffet, Jr.
David Conroy Autley B. Newton
Sen. J.D. De Blieux Sen. Samuel B. Nunez, Jr.
Frank Edwards A.J. Planchar
Paul H. Goldman Charles E. Kooner, III
Herman "Monday" Lowe Earl J. Schmitt
Pegram Mire Charles Slay
Sen. Samuel B. Nunez, Jr. Jasper K. Smith
A.J. Planchar F.D. Winchester

The meeting was called to order by the chairman and a quorum was ascertained.

A letter was read to the committee from Gordon Johnson, of the Tax Commission, stated that to tax stocks and bonds would be very difficult and not feasible.

Another letter was read to the committee from Chalin Perez, Chairman of the Committee on Local and Parochial Government which stated the actions taken by said committee on the suggested amendments proposed by Delegate Conroy that would attempt to remove any conflicts found in the joint committee meeting held September 20, 1973.

The issue of exempting stocks and bonds was again debated. It was suggested by the chairman that since there were several amendments to be acted upon concerning the two committee proposals, it would be advantageous to recess for fifteen minutes in an attempt to reach a compromise for the purpose of reducing the number of amendments to be acted upon.

Delegate Conroy offered a motion for the adoption of an amendment to add on page 2, between lines 25 and 26, on line 1 of paragraph (D) of Committee Amendment No. 1 adopted on September 21, 1973 by the committee and immediately after the words and punctuation "Cash on hand or deposit:" add the following: "stocks and bonds, except bank stocks, which shall be assessed and taxed solely as provided by law, and the tax paid by the banking institution." Delegate Mire moved the previous question on the motion. There being no objection it was so ordered. The amendment was adopted with a vote of 11-1 by the committee.

Delegate Mire offered a motion to adopt an amendment that would add on page 2 of CP 26, between lines 1 and 2, the following section:

"Section 43. Rate of State Property Taxation:

Section 43-1. The rate of state taxation on property for all purposes shall not exceed, in any one year, five and three-quarter mills on the dollar of its assessed value."

The amendment was adopted with a vote of 10-2 by the committee.

Delegate Planchar offered a motion for the adoption of an amendment to include nonprofit hospitals, nursing homes, etc. After discussion by the committee as to the effect of the wording, Delegate Planchar agreed to withdraw the amendment and resubmit it at a later date.

Delegate Conroy offered a motion to adopt an amendment that would insert in Committee Amendment No. 1 adopted by the committee on September 21, 1973, on page 1, paragraph (D), line 16, after the word "cultural" and before the word "or," a comma "," and the words "mardi-gras carnival". The amendment was adopted with a vote of 12-1 by the committee.

Delegate Conroy offered a motion to adopt an amendment to add on page 2 of CP 26, at the end of line 4, the words "at valorem". There being no objection, the amendment was adopted.

Delegate Conroy offered another amendment to add in Committee Amendment No. 1 adopted by the committee on September 21, 1973, on page 1, paragraph (D), line 24, after the word "seafood" and before the semicolon "," insert the words "other than menhaden". There being no objection, the amendment was adopted.

Delegate Conroy offered an amendment to delete in Committee Amendment No. 1 adopted by the committee on September 21, 1973, on page 2, paragraph (F), at the end of line 42, the word "On" and delete all of lines 43 through 56. There being no objection, the amendment was adopted.

Delegate Conroy offered an amendment to delete in Committee Amendment No. 1 adopted by the committee on September 21, 1973, on page 3, paragraph (G) lines 5 through 7, and lines 14 through 16, begin a new paragraph with the word "All" in line 26 and insert after the word "property" and before the word "whether" the words "described in this paragraph (G)". There being no objection, the amendment was adopted.

Delegate Planchar moved the adoption of an amendment to include nonprofit hospitals, nursing homes, etc. that had been submitted previously and withdrawn to be reworded. After discussion by the committee, Delegate Planchar withdrew it once again.

Delegates Chehardy, Schmitt, and Conroy offered an amendment to add on page 3, between lines 20 and 21 of CP 26, the following section:

"Section 5. Revenue Sharing Fund

Section 5. There is hereby established and created a special fund in the State Treasury to be known as the Revenue Sharing Fund. The fund shall be composed of money which shall be transferred to it annually out of the state general fund by the state treasurer in the amount of eighty million dollars. This provision shall be self-operating. The legislature may allocate additional sums to the Revenue Sharing Fund and shall provide for distribution of the moneys in the fund to those local governing bodies, municipalities, police juries, boards, commissions, districts, and other agencies as may be designated by it." There being no objection, the amendment was adopted.

Delegates Conroy, Chehardy and Schmitt offered an amendment to add in the language regarding the Revenue
Sharing Fund, at the end of the last line of Section 5, to delete the period "." and insert the following: "on the basis of the amount lost by reason of the exemptions provided in Section 2 (A) of this article." After discussion by the committee, the amendment was withdrawn.

Delegate Roemer offered a motion to recess at 11:50. There being no objection, it was so ordered.

The meeting was called to order by the chairman and a quorum was ascertained.

Amendments to CP 26, proposal on property taxes, was listed on the agenda for this meeting.

Delegate Conroy offered a motion for the adoption of an amendment that would insert on page 1 of CP 26, between lines 29 and 30, the following: "All property subject to taxation shall be re-appraised at intervals of not more than five years." The amendment was adopted with no objection.

Delegate Conroy offered a motion for the adoption of an amendment that would delete on page 1, all of lines 30-32 and on page 2, would delete all of line 1 and insert in lieu thereof the following:

"(D) The correctness of assessments by the assessor shall be subject to review by the governing authority of the parish, then by the Louisiana Tax Commission, and finally by the courts in accordance with procedures established by law."

There being no objection, the amendment was adopted.

Delegate Conroy offered a motion for the adoption of an amendment that would insert on page 2, immediately below line 1 of CP 26, and before the committee amendment adding a new Section entitled "Rate of State Property Taxation: Limitation," the following Paragraph:

"(E) The legislature may provide that agricultural, horticultural and timber lands will be assessed for the purpose of taxation at a percentage of use value rather than fair market value, which use value shall for all purposes of this Section be treated as the fair market value of such property."

After much discussion, Delegate Winchester offered a substitute motion that a period "." be placed on the fifth line of the amendment after the word "value" and the remaining part of that sentence "which use value shall for all purposes of this Section be treated as the fair market value of such property." be deleted. The substitute motion carried with a vote of 13-3 by the committee. The original amendment as amended was adopted with a vote of 14-2 by the committee.

Delegate Planchard offered a motion for the adoption of an amendment that would delete Section (C) of Committee Amendment No. 1 relative to exemptions and would insert in lieu thereof the wording attached in the Committee Amendment No. 12. The amendment was adopted with a vote of 14-2 by the committee.

Delegate Nunez offered a motion for the adoption of an amendment that would delete the amendment stating "other than menhaden" which was adopted by the committee on September 27, 1973 and insert in lieu thereof the following on line 24 in Committee Amendment No. 1, relative to exemptions, after the word "seafood" the words "for human consumption." The amendment was adopted with no objection.
Mr. Chalin Perez, chairman of the Committee on Local
and Parochial Government informed the committee at this time
that he had been unable to obtain a quorum at a meeting
that was to be held that morning to decide whether or not
to delay the "Finance Section" of Local and Parochial Govern-
ment's proposal, CP 17.

Delegate De Blieux offered a motion to adjourn at
12:00 noon. There being no objection, the meeting was recessed.

Delegate De Blieux offered a motion to adjourn at
12:00 noon. There being no objection, the meeting was recessed.

Chairman Rayburn suggested to the committee that
they try to finish their work on CP 26, the property tax
proposal, in order to report it out of committee at this
meeting. Further discussion was held on the possibility of
holding public hearings next week with no decision
being made.

The committee then began consideration of amendments
to CP 26. Delegate Conroy offered a motion for the adoption
of an amendment that would on page 3, line 7, of CP 26
after the word "increased" and before the word "because",
insert the words "or decreased" and another that would on
page 3, line 12, after the word "same" and before the
word "dollar", insert the word "total". Both amendments
were adopted with no objection by the committee.

Delegate Conroy offered a motion for the adoption
of an amendment that would on page 3, of CP 26, between
lines 12 and 13, insert the following:

"Such millage adjustments shall be made without
regard to limitations contained elsewhere in this
constitution."

The amendment was adopted with a vote of 15-1 by the
committee.

Delegate Mire offered a motion for the adoption of
an amendment that would add on page 3 of CP 26, line 26,
after the word and punctuation "election," the following
sentence:

"When a vacancy occurs in the office of tax
assessor the duties of the office, until it
is filled by election as provided by law, shall
be assumed by the chief deputy assessor."

The amendment was adopted with a vote of 16-1 by the
committee.

Delegate Conroy offered a motion for the adoption
of an amendment that would add on page 3, between lines
20 and 21 of CP 26, in the language added by Committee
Amendment No. 1 regarding Revenue Sharing Fund, after the
word "it" at the end of the last line of Section 3, delete
the period "." and insert the following:

"on the basis of the amount lost by reason
of the exemptions provided in Section 2 (A)
of this article."
The amendment was rejected by the committee with a vote of 17-1.

Delegate Champagne offered a motion for the adoption of an amendment that would add on page 3, between lines 20 and 21 of CP 26, after Committee Amendment No. 1 adding a new Section entitled “Revenue Sharing Fund” and adopted by the committee on September 27, 1973, the following new Section:

"Section 7. Method of Distribution of Revenue Sharing Funds

Section 7. Revenue sharing funds shall be distributed by the legislature to the parishes solely on the basis of population and number of homesteads in the parish. The ratio to be used in making the distribution and the distribution of these funds by each parish shall be made in accordance with law."

The amendment was adopted with a vote of 18-1 by the committee.

Delegate Slay offered up an amendment for Delegate Shady Wall that would insert on page 4, beginning of line 3 of CP 26, the wording in Committee Amendment No. 6 attached to these minutes. Delegate Roemer stated that the amendment was out of order and moved that it be referred to the Committee on Local and Parochial Government. Delegate Slay offered a substitute motion that the amendment be considered by this committee at this time.

The substitute motion carried with a vote of 15-6 by the committee. A lengthy discussion followed with Judge James Dennis making a statement before the committee on his position in the matter. Delegate Champagne offered a motion that action be deferred on this amendment until a later date. Delegate Smith offered a substitute motion that this amendment be considered by the Committee on Education and Welfare instead. The substitute motion failed with a vote of 14-5 by the committee. The original motion to defer action carried with a vote of 13-8 by the committee.

Delegate Mauberret offered a motion for the adoption of an amendment to insert on page 4 of CP 26, line 3, the following Paragraph:

"(C) When a vacancy occurs in the office of tax assessor the duties of the office, until it is filled by election as provided by law, shall be assumed by the chief deputy assessor, except in the parish of Orleans, where the Board of Assessors for the parish of Orleans shall appoint the interim assessor."

The amendment was adopted with a vote of 12-9 by the committee.

Delegate Champagne then offered a motion that CP 26, property tax proposal, be reported out of committee with amendments with the names of the delegates that appeared on the original proposal, seconded by Delegate Goldman.

The motion carried with a vote of 11-8 by the committee.

Delegate Lowe moved to adjourn at 11:50 a.m. There being no objection, the meeting was adjourned.

CHAIRMAN

VICE CHAIRMAN

SECRETARY
The meeting was called to order by the chairman and a quorum was ascertained.

Delegate Mire offered a motion for the adoption of the minutes of September 13-14, September 20-21, September 27, and October 4-5, 1973. There being no objection, the minutes were adopted.

Delegate McDaniel offered a motion that the committee only consider Committee Proposal No. 15 at this meeting. There being no objection, it was so ordered.

Delegate Conroy offered an amendment to Committee Proposal No. 15, page 1, line 25, after the word and punctuation "committee:"

to insert the following:

"Notwithstanding any other provision of this constitution, any law by which taxes are imposed may define or specify the amount, subject, or provisions of such tax by reference to any provision of the laws of the United States as they then exist or may thereafter be changed, and may prescribe exceptions or modifications to any such provision."

After discussion by the committee, Delegate Conroy decided to withdraw the amendment at this time to get the Collector of Revenue's opinion on it. There being no objection, it was so ordered.

Delegate Nunes offered an amendment to add on page 2, at the end of line 15, the following:

"However sulphur in place shall be assessed for ad valorem taxation to the person, firm or corporation having the right to mine or produce the same in the Parish where located, at no more than twice the total assessed value of the physical property subject to taxation excluding the assessed value of sulphur above ground, in such parish as is used in sulphur operations."

Delegate Nunes moved the adoption of the amendment, and it was adopted with a vote of 13-3 by the committee.

Delegate Conroy offered an amendment to delete on page 3, line 4 of CP 15 after the word "all" the word "other". The amendment was adopted with no objection.

Delegate Goldman offered an amendment to delete on page 2, line 2, after the semicolon ";" the remainder of the line and lines 3 through 5, inclusive in their entirety, and insert in lieu thereof the following:

"however, for state income tax purposes, federal income taxes paid shall be deductible in computing the amount of net income."

After discussion by the committee, Delegate Nunes offered a motion to defer action on the amendment until an opinion could be obtained from the Collector of Revenue. There being no objection, the amendment was withdrawn.

Delegate Conroy offered an amendment to delete on page 2, line 20, after the word "levy" the word "taxes" and delete lines 21 through 26, both inclusive, in their entirety and insert in lieu thereof the following:

"sewerage taxes, income taxes or taxes on motor fuel."

There being no objection, the amendment was adopted.

Delegate Conroy offered an amendment to delete on page 3, line 17, after the letter "(A)" and the word "State" the word "the" and insert in lieu thereof the following:
"Unless otherwise authorized by this constitution, the"

There being no objection, the amendment was adopted.

Delegate Alario offered an amendment to insert on page 9, line 8, a new Section entitled "Section 19. Homestead Exemptions; Seizure and Sale". (See attached amendment for the wording)

After much discussion by the committee, Delegate Alario agreed to withdraw the amendment until it could be studied further.

There being no objection, it was so ordered.

Delegate Conroy offered a series of four amendments as follows:

AMENDMENT NO. 1
On page 5, line 30, after the word "as" insert the words "the result of"

AMENDMENT NO. 2
On page 5, line 31, after the word "thereof" insert the words "or of agreements pertaining thereto"

AMENDMENT NO. 3
On page 26, line 5, after the word "as" insert the words "the result of"

AMENDMENT NO. 4
On page 7, line 7, after the word "thereof" insert the words

-3-

"or of agreements pertaining thereto"

There being no objection, the amendments were adopted.

Delegate Conroy offered an amendment that would on page 6, at the end of line 2, after the word "legislature" change the period "," to a comma "," and add the following:

"and except money received by state agencies operating under authority of this constitution preponderantly from fees and charges for the shipment of goods in international maritime trade and commerce."

Delegate McDaniel offered a motion to pass over the amendment at this time. Delegate Lowe offered a substitute motion to adopt the amendment. The substitute motion carried with a vote of 13-2 by the committee.

Delegate Conroy offered an amendment to insert on page 5, between lines 24 and 25, the following:

"(C) Limited Time for Contesting State Bonds. Bonds, notes, certificates, or other evidence of indebtedness (hereafter referred to collectively as "bonds") shall not be invalid for any irregularity or defect in the proceedings or the issuance and sale thereof, and shall be incontestable in the hands of a bona fide purchaser or holder thereof. The issuing agency, after authorizing the issuance of bonds by resolution, shall publish once in the official journal of the state a notice of intention to issue the bonds and a description thereof and the security therefor and for a period of thirty days only after such publication any person in interest shall have the right to contest the validity of said resolution and any provision therein of the bonds to be issued pursuant thereto and the provisions and proceedings in connection with the authorization and issuance of the bonds. If such action or proceedings shall not have been instituted within the said 30 day period, no one shall have any right of action to contest the validity of the bonds or the provisions of the resolution pursuant to which the bonds were issued or the security of the bonds or the validity of any other provisions or proceedings in connection with the authorization and issuance of the bonds and all the bonds conclusively shall be presumed to be legal, and no court thereafter shall have authority to inquire into such matters."

There being no objection, the amendment was adopted.

Delegate Conroy offered a series of three amendments that were technical changes to Committee Proposal No. 15.

AMENDMENT NO. 1
On page 6, line 20, after the word "law" delete the remainder of the line and delete line 21 in its entirety

AMENDMENT NO. 2
On page 6, line 25, after the letter "C" delete the remainder of the line and on line 26, delete the words "one year, and the" and insert in lieu thereof the word "The"

AMENDMENT NO. 3
On page 7, at the end of line 2, delete the words "under the head of" and delete line 3 in its entirety and insert in lieu thereof the partial word "ex-"

These amendments were adopted with no objection.

Delegate Conroy offered an amendment to delete on page 8, line 22, the word "however" and insert in lieu thereof the words "and provided that". There being no objection, the amendment was adopted.

Delegate Conroy offered another amendment to delete on page 7, line 29, after the semicolon ";" the remainder of the line and lines 30 and 31, in their entirety, and insert in lieu thereof the following:

"Prohibition of Loan, Pledge, or Donation of Public Property; Exceptions for Public Purpose"

There being no objection, the amendment was adopted.

Delegate Nunez then offered a motion that Committee Proposal No. 15 be adopted with amendments and reported out of the committee. There being no objection, it was so ordered.

The committee adjourned at 11:20 a.m.
The meeting was called to order by the vice chairman and a quorum was ascertained.

Delegate Newton offered a motion to adopt the minutes of the meeting of November 20, 1973. There being no objection, the minutes stood adopted.

The committee began discussion on Delegate Proposal No. 21 by Delegate Welborn Jack, dealing with the making of provisions for a deduction in state income taxes for federal income tax payments made during the same period. Delegate Newton offered a motion to report Delegate Proposal No. 21 out of the committee favorably. Delegate Smith offered a substitute motion to report the delegate proposal out of the committee favorably. Delegate Smith's substitute motion failed with a vote of 10-7 by the committee. Delegate Newton's motion failed with a vote of 9-9 by the committee. Delegate Champagne then offered a motion to report Delegate Proposal No. 21 out of the committee without action. Delegate De Bieaux offered a substitute motion to defer action on the proposal. Delegate De Bieaux's substitute motion carried with a vote of 9-8 by the committee thereby deferring action on Delegate Proposal No. 21.

The committee next began discussion on Delegate Proposal No. 16 dealing with the making of provisions for homestead exemption by Delegate Alario, et al. Delegate Newton offered an amendment to change in Delegate Proposal No. 16, on page 1, line 17, after the word "than" the words "fifty thousand" to the words "ten thousand" and moved the adoption. The amendment was adopted with a vote of 12-5 by the committee. Delegate Munoz then offered an amendment to change in DP. No. 16, on page 1, line 17, after the words "than" the words "fifty thousand" to the words "twenty thousand." Delegate Smith moved the previous question. The amendment failed to carry with a vote of 9-9 by the committee. Delegate Champagne offered an amendment to change the abovementioned numeral "fifty thousand" to the numeral "fifteen thousand." This amendment carried with a vote of 12-5 by the committee.

Delegate Alario then offered a motion to report Delegate Proposal No. 16 out of committee with amendment. There being no objection, it was so ordered.
The committee next began discussion on Delegate Proposal No. 17 by Delegate Planchard dealing with the making of provisions prohibiting lotteries. Delegate Brown offered a motion to defer action on the proposal until a time could be set by the chairman for an opening hearing on the subject. Delegate McDaniel moved the previous question. The motion failed to carry with a vote of 3-14 by the committee. Delegate Mire then moved the previous question on Delegate Proposal No. 17. Delegate Proposal No. 17 was reported out of committee favorably with a vote of 10-7 by the committee.

The committee then began discussion on Delegate Proposal No. 33 by Delegate Dennis dealing with the financing of the judicial system.

Delegate Goldman offered a motion that the committee recess until the following day. There being no objection, the committee stood recessed at 1:45 p.m.

Committee on Revenue, Finance and Taxation

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committee report amendment. Delegate Proposal No. 17 by Delegate Planchard dealing with the making of provisions prohibiting lotteries. Delegate Brown offered a motion to defer action on the proposal until a time could be set by the chairman for an opening hearing on the subject. Delegate McDaniel moved the previous question. The motion failed to carry with a vote of 3-14 by the committee. Delegate Mire then moved the previous question on Delegate Proposal No. 17. Delegate Proposal No. 17 was reported out of committee favorably with a vote of 10-7 by the committee.

The committee then began discussion on Delegate Proposal No. 33 by Delegate Dennis dealing with the financing of the judicial system.

Delegate Goldman offered a motion that the committee recess until the following day. There being no objection, the committee stood recessed at 1:45 p.m.

Committee on Revenue, Finance and Taxation

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DP NO.
16 Alario, et al. Reported with amendment.
17 Planchard Reported favorably.
21 Jack Reported favorably.
33 Dennis Reported without action.
34 Dennis Reported without action.
55 Fontenot Deferred Action.
60 Jenkins Deferred Action.
77 Robinson Reported without action.
91 Zervigon Deferred Action.
95 Bel Deferred Action.

NOTES
D. P. Nos. 16 and 17 are reproduced above in Volume IV.

MINUTES
Minutes of the meeting of the
Committee on Revenue, Finance and Taxation of the Constitutional Convention of 1973

Held pursuant to notice given in accordance with the rules of the Convention

Assembly Room, White House Inn
Baton Rouge, Louisiana
Friday, December 14, 1973, 12:10 p.m.

PRESIDING: Charles E. Roemer, IL, Vice Chairman

PRESENT: John A. Alario, Jr.  ABSENT: Lawrence Chehardy
Mrs. Carolyn Badeaux  Frank Edwards, Jr.
Sen. James Brown, Jr.  Herman "Monday" Lowe
Walter Champagne  J.A. McDaniel
David Conroy  Sen. Samuel Nunes, Jr.
Sen. J.D. De Blieux  Sen. E.B. Rayburn
Clyde Fontenot  Charles Slay
Paul Goldman  A.J. Planchard
Dr. Claude Mauberret, Jr.  Earl J. Schmitt
Pegram Mire  Jasper S. Smith
Auctley Newton  P. D. Winchester

The meeting was called to order by the vice chairman and a quorum was ascertained.

The committee continued discussion of the delegate proposals that had been referred to this committee. Delegate Fontenot offered a motion to report Delegate Proposal No. 55, 91, and 95 out of committee without action. Delegate Newton offered a substitute motion to defer action on Delegate Proposal No. 55 without action. Delegate Schmitt asked for a division of the question, voting on each of the three Delegate Proposals separately. The first vote occurred on D.P. No. 55, to report it out of committee without action. The motion carried with a vote of 14-0 by the committee. The second vote
occurred on DP #91, to defer action on it. The motion 
carried with a vote of 8-6 by the committee. The third 
vote occurred on DP #95, to defer action on it. The motion 
carried with a vote of 10-4 by the committee.

The committee then began discussion on Delegate Proposal 
No. 21 by Delegate Jack. The committee agreed to reconsider 
the action taken on this proposal in the meeting of December 
13, 1973. Delegate De Bieaux offered a motion to report 
Delegate Proposal out of committee with an unfavorable report.
Delegate Smith offered a substitute motion to report Delegate 
Proposal No. 21 out of committee with a favorable report.
Delegate Newton called for the previous question. The 
substitute motion carried with a vote of 8-6 by the committee.

Delegate Newton offered a motion to defer action on 
Delegate Proposal No. 60 by Delegate Jenkins dealing with 
making provisions to control future growth of state tax 
revenues. Delegate Mire moved the previous question. There 
being no objection to the motion, action was deferred on 
Delegate Proposal No. 60.

Delegate Mire offered a motion to report Delegate 
Proposal No. 77 out of committee without action. There 
being no objection, it was so ordered.

Discussion was resumed by the committee on Delegate 
Proposal No. 33 from the meeting of December 13, 1973. 
Delegate Delegate De Bieaux offered an amendment to 
DP #33, line 8, after the word "The" and before the word 
"judicial" delete the word "the" and insert in lieu 
thereof the word "state" and on line 9, after the word 
and punctuation "level." delete the remainder of the line 
and delete lines 10 through 15 in their entirety. The 
amendment was adopted by the committee with a vote of 
10-5. Delegate De Bieaux then offered a motion that 
Delegate Proposal No. 33 be reported out of committee with 
amendment. Delegate Alario offered a substitute motion 
to report Delegate Proposal No. 33 out of committee with 
an unfavorable report. The substitute motion failed to 
carry with a vote of 8-8 by the committee. The original 
motion failed to carry also with a vote of 8-8 by the 
committee. Delegate Schmitt then offered a motion to 
report Delegate Proposal No. 33 out of committee without 
action. Delegate Alario offered a substitute motion for 
the committee to recess at this time. The substitute motion 
failed to carry with a vote of 4-10 by the committee. The 
original motion was adopted with no objection.

The committee recessed at 2:00 p.m.

December 14, 1973

CHAIRMAN

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<tr>
<th>ALARIO</th>
<th>VOS</th>
<th>YES</th>
<th>YES</th>
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NOTES

D. P. Nos. 55, 91, and 95 are reproduced 
above in Volume IV.

MINUTES

Minutes of the Committee on Revenue, 
Finance and Taxation of the Constitutional 
Convention of 1973

Held pursuant to notice by the Secretary 
in accordance with the Rules of the 
Convention

Committee Room No. 5, State Capitol 
Baton Rouge, Louisiana 
Monday, January 7, 1973, 10:30 a.m.

Presiding: Senator B. B. "Sixty" Rayburn, Chairman of the 
Committee on Revenue, Finance and Taxation

Present
Mrs. Carolyn Bedaux 
Walter J. Champagne 
Lawrence Chedhardy 
David Conroy 
Senator J. D. De Bieaux 
Frank Edwards 
Clyde Fontenot 
Paul H. Goldman 
J. A. McDaniel 
Dr. Claude Mauherret, Jr. 
Pegram Mire

Absent
John A. Alario, Jr. 
Senator James Brown 
Herman "Monday" Lowe 
Autley B. Newton 
Earl J. Schmitt 
F. D. Winchester

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Chairman Rayburn called the meeting to order at 10:45 a.m.

Mr. Conroy, chairman of the subcommittee on style and drafting, to report on the Caveats to Committee Proposal No. 26.

Mr. Conroy reported that essentially the corrections by Style and Drafting were in order except in those areas where the subcommittee had particular recommendations. Most of the changes, however, were what they were reported to be and generally favorable.

Referring to Section 3(D), Mr. McDaniel moved to accept Style and Drafting Committee's suggested change that assessors shall determine use value, and the Caveat was adopted with no objections.

The next Caveat relates to 4(B), Dedicated Places of Burial. Mr. Conroy stated the feeling of the subcommittee was to keep the Section "as is".

Senator Rayburn said he was of the opinion that the language of the committee was the way it was intended to be.

After discussion by the committee and Mr. Spalt, representing the Louisiana Cemetery Association, Mr. Nunez moved to adopt Style and Drafting Committee's print-out of Section 4(B).

Mr. Fontenot said the words "dedicated places of burial" would be more appropriate if they were placed in the middle of line 7, page 11, after the words "educational purposes.",

Mr. Roemer stated that if we moved the location of the phrase "dedicated places of burial", we would exempt all places of burial. That was not the intent of this committee. This is a subject of valid concern as to whether or not it does in fact do what we want it to. If we change location of "dedicated place of burial" then we do injustice to the committee. If we leave it where it is we still do injustice to the committee.

Mr. Slay called for the question.

Mr. Chehardy made a substitute motion that on page 12, between lines 27 and 28 insert the words "irrevocably dedicated places of burial held by individuals for purposes of burial of themselves or members of their family.

Mr. Nunez stated he was in favor of the substitute motion.

Chairman Edwards stated Senator Nunez moved we adopt Style and Drafting Committee's proposal as printed out on page 11, to which Mr. Chehardy made a substitute motion we insert on page 12, between lines 27 and 28, the words "irrevocably dedicated places of burial held by individuals for purposes of burial of themselves or members of their family", and in addition to that language to adopt Style and Drafting's proposal on page 11.

Mr. Fontenot objected.

The question was ordered.

15 years and 1 nay. Motion carried.

Roll was called on the motion, and it was passed with 15 years and one abstaining.

Next Caveat, Section 4(B), Item 3:

Mr. Conroy stated the Chairman of the Tax Commission recommended paragraph 3 should remain as it appears on page 11.

Vice Chairman Edwards asked if there were any objections to the recommendation. Hearing none, the Caveat was approved.

Mr. Conroy then said the subcommittee recommended the phrase "the states of the United States" be used in lieu of "continental United States" on page 14, 15, and 16 of Section 4(D). Without objection the Caveat to 4(C) and (D) was approved.

Mr. Conroy said the subcommittee recommended the insertion of "Sections 1 and 3" before the words "of this Article" on lines 17, and 27 of page 21 and line 11 of page 22 of Section 6.

After discussion, Mr. Conroy moved to make the suggested changes. There being no objection, the motion carried and the changes ordered to Section 6.

Mr. Conroy advised that the subcommittee also suggested on page 31, move the word "A" at the end of line 37, line 38 and on page 34, line 1, to the end of line 29 in page 33.

There were no objections. Adopted.

The Vice chairman noted this concludes the report of the subcommittee.

Mr. Conroy moved approval of changes and adoption of Style -3-

and Drafting Committee's Proposal as amended.

Mr. Slay seconded.

Mr. Champagne objected.

Roll was called. The motion carried with 13 years and 2 nays.

Mr. Smith moved to report unfavorably on Delegate Proposals Nos. 34, 60, 91 and 95.

Mr. Smith withdrew his motion.

Mr. Roemer moved to report the four Delegate Proposals "Without Action."

There being no objection the motion was adopted.

The chairman announced the next item on the agenda was the consideration of the reports on Committee Proposals 15 and 26. He asked Mrs. Duncan to explain dispositions of Articles in the two proposals.

Mr. Conroy remarked that the committee would have at least one more meeting and moved that the committee postpone the disposition of these two proposals until a later meeting.

Mr. Chehardy seconded the motion.

Mrs. Duncan urged that the committee please consider this for transitional purposes very carefully and promptly.

Mr. Champagne suggested a committee be appointed to study the reports.

The Vice chairman agreed and stated Chairman Rayburn would be requested to do that this afternoon.

There being no further business, the meeting adjourned subject to call.

9:45, "Sixty" Rayburn

Frank Edwards, Vice Chairman

Secretary

January 7, 1974

COMMITTEE ON REVENUE, FINANCE AND TAXATION

| ALABIA | A |  |
| BADEAUX | ☑ |  |  |  | yes | yes | yes |
| BROWN | A |  |
| CHAMPAGNE | ☑ |  | yes | no |
| CHEHARDY | ☑ | yes | yes | yes |
| COMROY | ☑ | yes | yes |
| DE BLIEUX | yes | yes | yes |
| EDWARDS | yes | yes | yes |
| FONTENOT | ☑ | no | pass |
| GOLDMAN | ☑ | yes | yes |
| LONE | ☑ | yes | yes |
| MC DANIEL | ☑ | yes | yes |
| MAUSERRET | ☑ | yes | yes |
| MIN | ☑ | yes | yes |
| NEWTON | ☑ | yes |
| NUNES | ☑ | yes | yes |
| PLANCHARD | ☑ | yes | yes |
| RAYBURN | ☑ | yes | yes |

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The meeting was adjourned at 1:30 p.m.

VICE CHAIRMAN

1/12/74

COMMITTEE ON REVENUE, FINANCE AND TAXATION

ALARIO
BRADEAU
BROWN
CHAMPAGNE
CHEHARDY
CONROY
DE BLIEUX
EDWARDS
FONTENOT
GOLDMAN
HOU
MC DANI
MAUBERT
MIRE
NEWTON
HUNE
PLANCHARD
RAYBURN
ROEMER
SCHMITT
SLAY
SMITH
WINCHESTER

MINUTES

Minutes of the meeting of the
Committee on Revenue, Finance
and Taxation of the Constitutional
Convention of 1973

Held pursuant to notice by the
Secretary in accordance with the
Rules of the Convention

Assembly Room, White House Inn
Baton Rouge, Louisiana
Saturday, January 12, 1974, 12:45 p.m.

PRESIDING: Frank M. Edwards, Jr., Vice Chairman of the
Committee on Revenue Finance and Taxation

Mrs. Carolyn Badeaux  Lawyer Chehardy
Walter Champagne  Herman "Monday" Lowe
David Conroy  Sen. B.B. Rayburn
Sen. J.D. De Blieux  Earl J. Schmitt
Frank Edwards, Jr.
Clyde Fontenot
Paul Goldman
J.A. McDaniel
Dr. Claude Mauberret
Pegram Mire
Aultman Newton
Sen. Samuel Hunter, Jr.
A.J. Planchard
Charles E. Roemer, III
Charles Slay
Jasper K. Smith
F.D. Winchester

The meeting was called to order and a quorum was ascertained.

Delegate Conroy's presentation to the committee at
this time was the report of the Subcommittee on Style
and Drafting, appointed by this committee to review the report
of the Committee on Style and Drafting, relative to Committee
Proposal No. 15.

Each suggested change by the Committee on Style and
Drafting to Committee Proposal No. 15 was discussed by
the committee and adopted with no objection.

Delegate Conroy offered a motion to adopt the report
from the Committee on Style and Drafting relative to
Committee Proposal No. 15 in its entirety. The motion
carried with no objection.
Delegate Planchard offered a motion for the adoption of the minutes of the meetings of the following dates: December 13, December 14, 1974, and January 7, and January 12, 1974. There being no objection, the minutes stood adopted.

Discussion was held by the committee on the transitional reports on CP 15 and CP 26 which were prepared by the staff and approved by the special subcommittee appointed to review the reports. Delegate Newton offered a motion to adopt the reports and submit them to the Committee on Legislative Liaison and Transitional Measures, seconded by Delegate Mire. There being no objection, the report stood adopted.

The committee adjourned at 12:50 p.m.

NOTES
Disposition Tables for C. P. Nos. 15 and 26 are reproduced below in Volume XIV.
B. Subcommittee Minutes

1. Subcommittee to Establish Guidelines for Public Hearings

MINUTES

Minutes of the Meeting of the Subcommittee To Establish Guidelines for Public Hearings of the Committee on Revenue, Finance, and Taxation

Senate Lounge of the State Capitol, Baton Rouge, Louisiana

Friday, March 16, 1973, 4:30 p.m.

Present: Walter J. Champagne, Jr., James H. Brown, Jr., Lawrence Chehardy, David Conroy, Risley C. Triche

The first order of business was the election of Mr. Triche as Chairman.

After discussion of the various suggestions offered by the committee immediately preceding the subcommittee's meeting, Mr. Chehardy asked who should be allowed to appear before the Committee in hearings.

Mr. Champagne suggested that during the Friday morning session that the Committee members appear he limited to two in number. He further suggested witnesses be invited by the Committee on the recommendation of the research staff, and limited to four in number, and be allotted a specified length of time. He further recommended that the Friday afternoon session be devoted to hearing other witnesses, who would be registered by the Chairman.

Mr. Conroy voiced the belief that the Friday afternoon speakers would assume the Committee possessed expertise on the subject, but in order to gain such knowledge, the Committee should first hear representative witnesses discuss the pros and cons. Then, he suggested the Committee could later request others to appear in a less extensive and comprehensive session.

Senator Brown agreed that members of the Committee should be heard on Friday morning, but that at 1:30 p.m. of the first day particular groups of people or their representatives whom the Committee would like to hear should appear. Those with certain or different viewpoints should be invited. On Saturday, Senator Brown added, the Committee should hear a limited number of speakers from the public, and the amount of time allocated to each for his remarks would be determined by the number of such speakers. Saturday's afternoon session would be devoted to the Committee's deliberations and conclusions.

After a brief discussion of the merits and problems relating to these suggestions, the Chairman recommended that the staff be directed to invite proponents, opponents and authorities to speak in the Friday morning session, and that the staff provide a written agenda. Further suggesting a written agenda with speakers identified, the Chairman recommended that Saturday be reserved for the general public.

The Chairman, following discussion on these suggestions, said that inclusion of testimony from various litigants involved with ad valorem suits, assessors, and advocates, and a staff analysis could be considered in the organization of Friday witnesses.

Mr. Champagne then reviewed the proposed schedule:

- Friday a.m. - Discussion in Committee
- Friday p.m. - Invited Witnesses
- Saturday a.m. - Remaining Witnesses and Representatives of the Public (as registered with Secretary)

It was further decided that the staff would be directed to issue invitations to representative expert witnesses and that Committee members could also recommend to the staff other possible witnesses. Speaking time for invited witnesses would be limited to 15 minutes, and those speaking in un-scheduled period would have five minutes allotted. The subcommittee decided to urgently recommend that each witness supply a written version of his presentation.

Without objection, the following summary was moved for recommendation to the whole Committee:

1) That on Friday morning, the first day of hearings on Ad Valorem Taxation, the Committee hear discussion by the members;

2) That the Friday afternoon sessions be limited to hearing expert witnesses assembled by the staff; that such experts include representatives of both sides of the question, litigants involved in ad valorem law suits (with technical analysis following by staff). The purpose for this was to give the Committee a better understanding of the problems involved in litigation. Should it be required, this portion of the hearing would be continued Saturday morning.

3) That such experts' presentations would be limited to
fifteen minutes and would be requested to submit written versions of those presentations and other pertinent data and documents.

4) That on Saturday, the public's views be heard, with no screening and limitation as to number appearing except as time dictated. Those speaking would be limited to five-minute presentations, with the same request for written presentations. These "public" speakers would register their names with the Committee Secretary so that the Chairman could "recognize" them.

There being no further discussion, the meeting was adjourned at approximately 5:05 p.m.

Risley C. Triche, Chairman
2. Subcommittee on Ad Valorem Taxation

MINUTES
Minutes of the first meeting of the Subcommittee on Ad Valorem Taxation of the Committee on Revenue, Finance, and Taxation of the Constitutional Convention

Held pursuant to notice mailed by the Secretary of the Convention on March 22, 1973
Senate Chamber of the State Capitol, Baton Rouge, Louisiana
Friday, March 30, 1973 at 10:00 a.m.

Present: Sen. B. B. Rayburn, Chairman of the Revenue, Finance, and Taxation Committee and of the Subcommittee on Ad Valorem Taxation

Absent: Jasper K. Smith

Present
John A. Alario, Jr.
Charles A. Badeaux
Walter J. Champagne, Jr.
Lawrence Chehardy
David Conroy
Sen. J. D. DeBlieux
Frank M. Edwards, Jr.
John Clyde Fontenot
Herman Lowe
J. A. McDaniel
Claude Mauberret, Jr.
Pegram Nire
Autley B. Newton
Sen. Samuel B. Nunen, Jr.
Arthur J. Planchar
Sen. B. B. Rayburn
Charles E. Rouemer, III
Earl J. Schmitt
Charles Slay
Risley C. Triche

Following the roll call, there being a quorum present, the chairman introduced to the subcommittee Risley C. Triche, who traced the history of ad valorem taxation in the state. A verbatim transcription of his remarks is attached hereto and made a part of these minutes.

The second subcommittee member to speak about the existing ad valorem situation was Lawrence Chehardy who cautioned the members about one hundred percent assessment and actual cash valuation of property. A verbatim transcription of his remarks is attached hereto and made a part of these minutes.

Sen. J. D. DeBlieux further explained the meaning of the Burgess vs. Long decision in relation to the constitution. A verbatim transcription of his remarks is attached hereto and made a part of these minutes.

Dr. Claude Mauberret addressed his remarks to the points of reclassifying property and opposition to one hundred percent valuation, in view of existing millages. Dr. Mauberret cited examples of school board and drainage districts in Orleans Parish which, he feared, would not lower their millages. Then Dr. Mauberret questioned Mr. Chehardy on his downward revaluation of Jefferson assessments.

Pegram Nire reviewed the whole ad valorem tax situation including properties other than homes. A verbatim statement of his remarks is attached hereto and made a part of these minutes.

In his remarks to the subcommittee, Herman Lowe charged both the subcommittee and assessors with their leadership responsibilities in providing equal treatment to all taxpayers. A verbatim transcription of his remarks is attached hereto and made a part of these minutes.

In commenting on the increasing cost-of-living, Sen. Samuel B. Nunen, Jr., urged the subcommittee to strike a balance between equity and parity for taxpayers, warning that without those ingredients in the ad valorem provisions of the proposed constitution, the document "will be beaten".

Following a luncheon recess, the subcommittee reconvened to hear Devan Daggett, director of the Legislative Council, who graphically suggested that the subcommittee provide acceptable, workable machinery for tax reform in its constitutional provisions, and cautioned against confusing constitutional reform with tax reform. Due to time limitation Mr. Daggett suggested the convention would do well to achieve constitutional reform and see tax reform come at a later date. For tax reform Mr. Daggett suggested the creation of a committee or board which continuously would review legislation and make needed recommendations to the legislature.

Dr. Jan Duggar, director of Gulf South Research Institute, provided for the subcommittee a sketch of mechanics of tax reform in Kentucky, which by some is hailed as, "one of the better property assessment, review, and equalization procedures of all the states". This system, he said, illustrated the six required elements for successful, fair, and equal treatment for taxpayers. The ingredients included: the state agency which administers the property tax; requirement of that agency to provide annual ratio studies by parish or county throughout the state; requirement by that agency to provide all possible assistance to the local assessors in establishing uniform equalization; requirement of that agency to appraise and assess interdistrict property such as railroads, public utilities, pipelines, etc., to insure an effective and readily available appeals system to all property owners, and to provide assistance by state appraisers to the
local assessors in industrial and commercial property valuation and assessment. A system of checks and balances is built into such a system, Dr. Duggar said, and is, in most states administered by the Department of Revenue. His verbatim statement is attached hereto and made a part of these minutes.

Replying to Senator Brown’s questions on how to establish such a property tax system, Dr. Duggar said to his knowledge very little of the law provisions concerning the system was included within Kentucky’s constitution. The homestead exemption was, he said, a constitutional inclusion, but the rest were provided for in reform statutes.

Mr. Roemer asked how the system was independent and quasi-judicial, as Dr. Duggar had previously mentioned. Dr. Duggar replied that the appeals board was a second-level program, and

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that he was not sure whether the board was appointed or elected.

Dr. Hauberret asked what the effect of the tax system was on Kentucky’s average tax revenue from property taxes. Was there an increase? Mr. Duggar said he had no figures on the average tax.

Mr. Dick Staggs, director of the Louisiana Department of Veterans Affairs, supported the continuance of the veterans’ exemptions, saying that eight proposed constitutional amendments had won approval at the polls. In addition to providing a review of those amendments and the progress of veterans’ exemptions in the state, Mr. Staggs urged that the time limitations on homestead exemptions for veterans be removed from the constitution. However, he did urge that if constitutional inclusion of the homestead exemption was provided, the veterans’ exemption also be included. A copy of Mr. Staggs’ statement as delivered is hereto attached and made a part of these minutes.

Rep. Frank Simoneaux, supporter of property tax reform, traced the history of property tax in Louisiana and outlined proposals to reform the system. Representative Simoneaux compared the experiences of several states with their recent equalization efforts and supplied for the subcommittee copies of Kentucky’s “story” by J. E. Luckett of that state’s department of revenue, attached hereto and made a part of these minutes. DR. SIMONEAUX’S STATEMENT AS PRESENTED IS ALSO ATTACHED.

In a question and answer period, the members clarified points of information, discussed the various exemptions, and the levying power of local government.

Charles M. Smith, Jr., executive director of the Louisiana Department of Commerce and Industry, sketched the industrial tax picture as it appears currently in the state and reviewed the detailed data. A copy of his statement and of data presented are attached hereto and made a part of these minutes.

The members asked numerous questions for which Mr. Smith offered to supply written answers. This data included figures for the actual cost of industrial exemptions per year, the actual cash value of industrial and other commercially exempt property in the state, the cost of inducing industry to locate in the state, and also asked Mr. Smith to supply alternatives to the industrial exemption for inducement of industry to Louisiana.

Henri Wolbrette, executive vice president of the Louisiana Chemical Association, supported the ad valorem exemption to “new manufacturing establishments”, pointing out the value these industries have to the state. A verbatim statement of his presentation is attached hereto and made a part of these minutes.

In the discussion following Mr. Wolbrette’s statement and in answer to a question by Senator Rayburn concerning where owners and stockholders of these companies live, Mr. Wolbrette conceded that many do live out of the state, but that those involved directly in the operation of those companies owned homes in Louisiana and on most property tax questions they voted as taxpayers, not especially in the industrial complex’s best interest. In answer to Mr. Schmitt’s question on the effect of equalization relating to business, Mr. Wolbrette predicted the millage rates would be lowered, and cited the Cities Service vs. Recreation Department of Calcasieu case regarding levying and need. He further reported that most of the industrial complexes in the state were located in a thirteen-parish district. And, on the question of industry location, Mr. Wolbrette differed with the estimate of six ($6) billion as the cost of industrial exemptions. He said that the cost was not a “small figure”, but that it was nowhere near that estimate.

In defending this position Mr. Wolbrette said that it was erroneous to say that revenue was lost by the state because of industrial inducement exemptions. He said that if the industry did not locate in the state, the state received no revenue from that source at all. He further reiterated the contributions of industry to Louisiana.

Senator Nunez then introduced guests from Ecuador to the group, which welcomed them with a standing salute.

G. O. McGuffee, assessor of Catahoula Parish and representative of the Louisiana Assessors’ Association, introduced the other members of the association’s legislative committee: Jesse Boudreaux of Terrebonne Parish, James Smith of Orleans, J. D. Addison of Tangipahoa Parish, and Charles Henington of Caddo Parish.

Mr. McGuffee pledged the full support of the Louisiana Assessors’ Association to the subcommittee, its combined experience, and its cooperation.

Following the reading of the attached recommendations from

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the membership of the association, Mr. McGuffee answered questions from the members. Mr. Conroy asked for a further explanation of the effect of eliminating actual cash value, a standard valuation for property tax purposes.

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Mr. McGuffee responded that the association had no present recommendation on what should be substituted.

In answering questions from the subcommittee concerning the relations of the public and the assessor, Mr. McGuffee said that he unofficially invited those in his area who had questions or complaints to write him, outlining the problems and action on those problems would be forthcoming. Mr. McGuffee further explained that all tax rolls are public record, and listed the locations in his parish where copies of the rolls are on file. He said that the public's right to examine the rolls is provided by law.

Mr. Newton asked for more elaboration on the association's recommendation to abolish multi-parish districts. Mr. McGuffee said that the only method the assessors could suggest was the "per unit" method.

Mr. Lowe asked that Mr. McGuffee return with more information and recommendations for specific mechanics for implementing those recommendations already made. Mr. McGuffee said that if it was the will of the assessors' association, he would be happy to comply with the request.

James Graugnard, president of the Louisiana Farm Bureau Federation, introduced the association's attorney, Louis Curet and Kenneth Kahao, a member of the bureau.

Mr. Graugnard emphasized the value of farm property in Louisiana, pointing out that should such property be assessed hundred percent of actual value, many farmers would go out of business. Also, he said, it is especially important today, to both economy and ecology, to have "green land" because plants help convert carbon dioxide to oxygen.

It is these reasons, Mr. Curet urged, that justify special treatment in the form of separate assessments. In suggesting what Louisiana could do to remedy the emerging situation, Mr. Curet outlined methods used in other states, and the requirements of those measures. A copy of his statement's outline is attached hereto and made a part of these minutes. Mr. Curet asked that he be allowed to submit a brief to the subcommittee.

In the discussion to follow, Mr. Curet reiterated that specific recommendations and proposals would be included in the brief to come, but that the main purpose of his appearance was to apprise the subcommittee of the encroachment of subdivision development and shopping centers on the farm land and the problem of increased valuation on that farm land when considered in relation to surrounding commercial and residential property.

Mr. Kahao supported Mr. Curet's statement from the farmer's point of view.

Due to the lateness of the hour, the subcommittee, without objection, voted to recess until 9:00 a.m. Saturday, March 31st. when the remaining invited speakers would complete their presentations.

J. A. "Bob" Wilkes, justice of the peace, Jefferson Parish, represented what he called the "small people", small property owners. He reiterated the status of present equalization law and asked that industry pay its fair share of ad valorem property taxes. He reasoned that industry locates in Louisiana because of the abundance of raw materials, natural resources, and the good labor laws. In fact, Mr. Wilkes added, there should be revision of all tax laws, allowing the parishes to set millages to meet their needs locally. He further charged the subcommittee to draft provisions for the new constitution which fully protected all property owners and all citizens of Louisiana equally, and urged consideration of absolute homestead exemption. The last, he estimated, would cost only an estimated forty ($40) million dollars a year above present homestead exemption.

Kenneth DeJean of the attorney general's office was asked to address his remarks to the subjects of the homestead exemption, property tax relief fund, and revenue sharing.

Mr. DeJean outlined briefly the history of the homestead exemption and the property tax relief fund. He concluded that at present: (1) the homestead exemption applies to all ad valorem taxes except those of municipalities; (2) the property tax relief fund is nonexistent, and (3) local and parochial governments are dependent on the legislature for revenue sharing payments.

Mr. Slay asked if the property tax relief fund could be re-implemented. Mr. DeJean answered no, not under the system as it was administered according to the court ruling of Levy vs. Parker. In that regard, Senator Brown asked if the convention could correct the faults as the court in Levy vs. Parker determined existed in the property tax relief fund. Mr. DeJean responded that he could not see why not. He said he did not know how far the decision reached, but that it was understood to give the legislature broad discretionary powers in determining the amounts of payments returned to the local governments.

Mr. Alario asked Mr. DeJean the differences between the distribution of property tax relief funds and revenue sharing. Mr. DeJean said there was "not very much difference at all". Mr. Alario then asked if that meant revenue sharing was not legal. "Perhaps", Mr. DeJean answered.

Dr. Mauberret asked if the attorney general's office was planning to appeal the Bussie decision. Mr. DeJean answered that the appeal was now being prepared. According to Mr. DeJean, the constitutionality of the revenue sharing plan would rest upon the criteria determining the allocations to parishes. If, he explained, the allocations were distributed in the same manner as the Property Tax Relief Fund was distributed, then the revenue sharing fund would be unconstitutional.

On the other hand, Mr. DeJean continued, if the revenue sharing were based upon such criteria as population, etc., and the distributions were "equal", then revenue sharing would be constitutional.

Herman Moyer, Jr., representing the Louisiana Bankers Association, advocated flexibility throughout ad valorem taxation. He recommended that local governments be given more
latitude in determining millage rates, stated that the association believed in the homestead exemption but not in total home-

stead exemption, and stated interest in a broad tax base with a certain amount of flexibility. He cautioned that if industrial and business taxes were raised excessively, those taxes could become a deterrent for new enterprises locating in the area. As an example of special ad valorem taxation, he cited the special tax on shareholders of banks which banks pay annually. A verbatim statement of Mr. Hoyse's presentation is attached hereto and made a part of these minutes.

Questions from the sub-committee involved details of banking operations, taxation, and satisfaction with present banking laws on taxation. Mr. Hoyse said there was no need for constitutional inclusion for banking; all is now regulated by statutes.

A. Ponder Jones, representing the Louisiana School Board Association, was introduced by John Ward, also of the association. In his remarks, Mr. Jones provided a brief survey of the status of school board finance as it is presently viewed by the association. A copy is attached hereto and made a part of these minutes.

Questions directed to Mr. Jones concerned the mechanics for change, for which the association has not yet prepared its recommendations. Other questions concerned specific tax information, which was supplied verbally.

James Smith, an assessor from New Orleans, appeared before the sub-committee speaking as a homeowner. Mr. Smith said that "actual cash value" is an important concept which often is not understood because this phrase often is given different meanings. He cited several views of actual cash value from the homeowner's standpoint: the cost of buying the land and house originally;

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the value he would personally realize if the property were sold today, that is equity plus appreciation, less cost of resale; and the amount of the mortgage, with interest and charges, over the thirty-five year period of that mortgage. Which, he asked, was the actual cash value?

Economically speaking, Mr. Smith went on, one would know that actual cash value was the cash value the property would bring, less encumbrances.

Senator DeBlieux quoted from pages eighty-four and eighty-five of the assessor's manual, describing the formula for determining actual cash value. Mr. Smith's response was that the sub-committee write into the new constitution, even to adopting that assessor's manual, the basis on which actual cash value is determined. It was pointed out that there was presently no law or requirement that assessors comply with the procedures as described or included in that assessor's manual. In reply to Senator Brown's request for a recommendation from Mr. Smith on what the actual cash value should consist of, Mr. Smith said he had no opinion.

Sen. Joseph Tiemann supported the total homestead exemption, reasoning that it was discriminatory to industries, businesses, and apartment rentals, etc.

Senator Brown asked the chairman to clarify with the chairman of the constitutional convention the basis of authority used by the chairman to say that a sub-committee could not meet. Senator Rayburn, after a brief discussion including other sub-committee members, said he would check with the chairman of the

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convention.

Following the luncheon recess, Rapides Assessor Trent L. James spoke in favor of eliminating the ten-year industrial or manufacturing exemptions, and praised the Louisiana tax system, with which he has been working for fifty years.

David Doderhoff appeared next, representing the Land and Royalty Owners of Louisiana, requesting that the association's president, Earl Willis, who was originally scheduled, be asked to appear again. At that time, Mr. Willis would submit a written statement and a list of recommendations for consideration by the sub-committee.

Mrs. Kate Brown, representing the League of Women Voters of Louisiana, read the league's outlook as to ad valorem taxes in this state. A statement is attached hereto and made a part of these minutes.

Felicia Kahn of the League of Women Voters of New Orleans stated that there was no reason for taxpayers to fear equalization of assessments, and that the change will provide progress in the area of ad valorem taxation. Ms. Kahn said that the New Orleans league felt that the only fair method of assessing property is at actual cash value determined by a professional method of appraisal, and equal administration throughout the state is necessary. Further, she said, the local authority should have the power to adjust millage in accordance with the needs of the community.

Ideally, Ms. Kahn pointed out, the constitution should contain no limitation on the taxing authority. Several delegates asked that New Orleans be made "a part of the state", and not

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be given special treatment over other areas of the state. Ms. Kahn asked, further, that the new constitution eliminate all exemptions granted in present constitution, and that Orleans citizens be treated as all other areas of the state. A copy of Ms. Kahn's statement is attached hereto and made a part of those minutes.

Sam Caverlee, representing the Sisters of Charity of the Incarnate Word of Louisiana, and Schumpert Memorial Hospital of Shreveport in particular, supported ad valorem exemptions for bona fide religiously owned and operated hospitals in Louisiana. He referred to the 1972 assessment by Caddo Parish of the Schumpert medical facility in Shreveport and the ensuing suit for recovery of those taxes.

Mr. Caverlee urged the sub-committee to "adapt suitable language to clearly set forth that institutions of this nature
should not be subject to ad valorem property taxes." A copy
of his statement is attached hereto and made a part of these
minutes.

The subcommittee questioned Mr. Caverlee about the operation
and fee basis of the hospital.

Robert Roland, attorney for the Louisiana Hospital Associa-
tion, also addressed his remarks to the support of exemptions
for charitable and hospital institutions throughout the state.
A statement of his presentation is attached hereto and made a
part of these minutes.

Mr. Roland, in the discussion following, said that there
was no philosophical reason for this exemption to be included
in the new constitution, but that thirty-five other states felt
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otherwise, and included the exemption.

Mr. Roland also pointed out that while the hospital
association represents ninety-eight percent of the hospi-
tals in this state, the chain-operated proprietary hospi-
tals are not members, because they have not asked to become
members.

Dr. Charles MacMurdo, legislative chairman of the Baton
Rouge Taxpayers Education Association, traced the experiences
of the citizens of Minnesota with "market value" valuation to
property and assessment practices. He urged that limits be
placed on the taxing power of government by specific provisions
in the constitution: and, Dr. MacMurdo and the association
warned, if it were otherwise, the association would have to
work for rejection of the constitution when it was presented
to the people.

Mrs. W. E. Reese, research chairman of the Taxpayer's
Education Association of Baton Rouge, Louisiana, said that the
association supported total exemptions for homesteads and asked
that industry carry its load in the tax. The taxpayer's associ-
ation, she said, would continue to oppose one hundred percent
assessment on homes.

Jim Ware, chairman of the Better Baton Rouge Committee, said
that the history of this parish's taxes does not justify the state-
ment that millage rates will be reduced under the one hundred
percent assessment.

Mr. Ware asked that the subcommittee write into the new
constitution a provision providing that if there is a court-
ordered reassessment of property, maximum millage rate shall be

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facto be reduced so that the total ad valorem tax income to
any taxing authority shall not be increased by any reassessment.
A letter recommending the language to be used in the suggested
proposed provision, from Mr. Ware and the association, is attach-
ed hereto and made a part of these minutes.

Mrs. Trudy Black, a real estate broker and appraiser in
New Orleans, speaking as a private citizen, asked where the
determination of "actual cash value" was to be made. Mrs. Black
suggested that the existing sales price, or that price which
the homeowner paid, be used as the valuation, until it is sold
again. She referred to the Texas law that states no home can
be sold for nonpayment of property taxes.

Senator DeBlieux asked if such a plan would be equitable
to those young people now purchasing homes who would pay more in
taxes than their older neighbors. In response, Mrs. Black said
that the young people were much better educated, and had a much
better future than the older people. So, she concluded, the
young people would be more able to pay. She said that those
with fixed incomes would be hurt.

Mrs. Black said, if she were to make the final decision, she
would not tax homes.

The subcommittee members voiced their views on this subject
in the discussion which followed.

A motion was made by Mr. Lowe that the meetings on March 13
and March 14, 1973 would be held in New Orleans. The motion
carried.

Mr. Triche reported that the Subcommittee on Revenues other
than Property Taxes had met the previous Tuesday, March 27, 1973
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to hear heads of the various state agencies. He announced that
the subcommittee planned to continue this at its next meeting,
Thursday, April 5, 1973 at 9:00 a.m.

The minutes from the previous committee meeting were ap-
proved without objection.

The staff was asked to arrange for a meeting site in New
Orleans, and to arrange an agenda including the remaining invited
guests and public hearings.

Mr. Newcomb moved that the Friday, April 13, 1973 meeting be
reserved for completion of hearings by the subcommittee on ad
valorem taxation, and that Saturday, April 14, be used for sub-
committee meetings in the morning and discussion by the committee.
The motion carried without objection.

Following discussion of possible meeting sites and methods
of gathering additional data, the meeting was adjourned.

NOTES

The Louisiana Assessors' Association
recommendations and the statements of Mrs.
Kate Brown and Ms. Felicia Kahn cited in
the Minutes as being attached are not found
in the Committee files.
VERBATIM STATEMENT OF RISLEY C. TRICHE
TO:  SUBCOMMITTEE ON ADVALOREM TAXATION
MARCH 30, 1973

Everybody, I'm sure, is familiar with the Levy versus Parker case which struck down the Property Tax Relief Fund, and caused the Legislature to come into Special Session last year to do something about it.

That sounded a death knell and gave us some suspicions of a death rattle that the property tax system that we were presently levying and collecting property taxes in the State.

The court in the Levy case, as you recall, said that the Property Tax Relief Fund could no longer be distributed in the fashion in which it was being distributed, because of unfair discrimination against Orleans Parish and some other parishes. It was unfair against Orleans because it was a limitation of millage which allowed Orleans only to partici-
pate in the Property Tax Relief Fund to the extent of forty
mills. It was unfair to Orleans because it could create special taxing districts and get other advantages from the
Property Tax Relief Fund that Orleans Parish couldn't get. And
thirdly, because the Property Tax Relief Fund was being dis-
tributed back to the parishes on the basis of assessments
against homesteads.

The court said assessments of property and levying taxes on assessments based on any value that excludes or is
discriminatory is in violation of the Fourteenth Amendment.
It struck down the Property Tax Relief Fund.

We took some measures to eliminate the Property Tax Relief Fund. The public voted on those constitutional amendments.
The Legislature set up a special appropriation for a revenue sharing program, and sidestepped the Levy vs. Parker case. And what we are now about is to distribute the revenues to the parishes other than under the old defective Property Tax Relief Fund.

At that time, you're familiar with the laws that were passed centering on such things.

But, during the time all of that was going on, those of us in the Legislature and on the Governor's Property Tax Relief Study Committee began to look seriously again at the dormant case of Bussie against Long. And after looking at that thing and studying the case and the prodigy that brought it up to the posture it was in when the Legislature met last year, every-
body concluded that Judge Doherty's decision that was handed down a couple of weeks ago would be forthcoming. Judge Doherty didn't startle anybody and he didn't catch anybody by surprise.

Prior to that time, the authorities were always able to sidestep complaints that the Property Tax system in the State was being administered unconstitutionally. And we were able to sidestep those complaints with procedural dodges. A case came out of Orleans where the city of Orleans brought suit a-
gainst the assessor to do something in Orleans. And the court sidestepped it and said this is not the procedure, the court can't grant you relief.

A case came out of Shreveport, Dixie versus Cornell, where taxpayers attempted to mandamus the Tax Committee to solve the problem. The court sidestepped it again and said that this is not the proper place for relief. The court can't grant you any relief, because the law says if you're a com-
plaining taxpayer, you've got to go to the Tax Committee.

we've got to exhaust all remedies, before the Tax Commission in any event, the law which delegates certain duties to the Tax Commission and authorizes the Tax Commission to exercise discretion, we're not going to order any public official to exercise discretion in a particular matter, always able to sidestep the court addressing itself to the problem of un-
constitutional administration in property taxing.

But in Bussie against Long, we had an extreme departure. In that case, the State Supreme Court said that a taxpayer could bring a class action suit against the Tax Commission, and he didn't have to exhaust any administrative remedies, and that the court would order the Tax Commission to exercise its function relegated to it by law which, of course, found that the Tax Commission was not, as a matter of fact, following the law in exercising the duties that the Legislature and the Con-
stitution of the State charged it with performing.

So, prior to all this time, the court used to, I guess, get around it by saying that in political matters or problems of this nature, we're not going to get involved.

But then, in line with the trend of decisions in other states, our State Supreme Court finally decided to have at it. And, in effect, they now entertain jurisdiction and, of course, as a result of that we're just getting started on our business.

The startling thing about Judge Doherty's decision is not really any mention of any state constitutional provision requiring assessment of taxes at one hundred percent of value. Apparently, he based his decision on the Fourteenth Amendment of the federal constitution requiring equal protection and due process, and the statutory provisions which are still on the books requiring the Tax Commission to assess at one hundred percent of value, supervise the procedures performed by the local parish assessors and to see that the property is actually on rolls at a hundred percent of value.

Now, there's not a thing we can do about the federal constitution. I think we all ought to recognize that the Fourteenth Amendment is with us. It's been with us since the
middle of the last century, and it's going to stay apparently for quite some time. Now, what does the equal protection and due process clause of the Fourteenth Amendment mean in the area of Property Taxes? In the thumbnail, I think it simply means this, that all people, property taxpayers, with any reasonable class, must be treated alike and without discrimination. That doesn't mean that everyone has to pay the same tax. It doesn't mean that we can't reasonably classify property and that certain reasonable classifications can't be stacked differently. It doesn't mean that. It means that whatever classifications the Legislature or the Constitution or the people of this State decide to adopt, those classifications have to be reasonable and non-discriminatory, and that the persons within those classifications have to be treated alike and without discrimination. Now, we can't avoid that. As a practical matter, we're not going to amend the federal constitution.

That portion of the decision of Judge Doherty and other decisions that we worry about which speak about the Fourteenth Amendment should concern us and we should address ourselves to them.

As to what we can do in the state constitution and in the state statutes, that's another story. There's something we can do there, and I think before we decide what we can do and what we should do, we first ought to review what the laws on the books were before the time Bussie versus Long was filed, and what the laws on the books are now that we have a decision on Bussie against Long, and then make some decision as to what direction we can go, because, I think you and I all agree that what has happened in some other states, (we've been made aware of that by some circulars which have been circulated by the courtesy of the assessor from Jefferson Parish, Mr. Chehardy), what has happened in other states will not happen in Louisiana.

R.C. Triche statement - March 30, 1973

Drastically and traumatically increased taxes, the devastating effect it has had in other states that has caused people to lose their homes is not going to happen in Louisiana. The Constitutional Convention is not going to allow it to happen, the Legislature is not going to allow it to happen, the people of this State are not going to allow it to happen, so let's start off with that premise. It's not going to happen here.

How do we avoid it?

Let's see what the law was like, in just a brief review, when Bussie against Long was filed.

Article X, Section 1 of the Constitution allows the classification of property, but it says that classification in taxing shall be uniform within that class. Taxed property shall not be assessed for higher than its actual cash value, and valuation for State purposes shall be the same on the local level but local governments are allowed to fix the percentage of value. That's Article X, Section 1 apparently allowing reasonable classifications of property.

Article X, Section 12 Real Estate shall be listed at actual cash value. Now that's roughly what the Constitution said when Bussie against Long was filed.

Now, why it was ever put in the Constitution, heaven only knows; we weren't here in 1921. But someone apparently meant that property should be put on the rolls at a hundred percent of value. That's what the Constitution said. Real Estate shall be listed at actual cash value.

R.C. Triche statement - March 30, 1973

Article XII, Section 5 School Mill Tax. That's in the Constitution now and it was then. Five mill school tax.

And it authorizes maintenance millage by schools for operation of schools. And it says very clearly, in Article IV, Section 15, I think it is, says very clearly that school taxes shall be levied and collected on one hundred percent of actual cash value. That's in the state Constitution, that's not the federal Constitution. It's not something based in a strange court. It's in the state Constitution.

Article X, Section 5 grants taxing allowance for delegation of taxing authority to local governments. It provides for local governments, and the exercise of their taxing authority shall be bound by the provisions of the constitution.

So, what do we have in the Bussie versus Long ruling?

I think the clear constitutional mandate in the state constitution, that property be listed on the assessment rolls at one hundred percent of value. I can't read anything else into it.

The statute provided for five and three-quarters mills state property tax collected state wide. It also provided this: that the Tax Commission will fix a percentage of value upon which that one-hundred percent assessment or tax would be levied. To allow the Tax Assessor or the Tax Commission to charge existing property on the rolls at a hundred percent of value, the Tax Commission put a five and three-quarter mill tax which fixed a uniform state percentage of value on which tax could be collected.

R.C. Triche statement - March 30, 1973

Illustration: All property would be on the rolls at a hundred percent of value. The Legislature would make appropriations as to how much money it wanted to yield from the five and three-quarter mill tax or spend from the five and three-quarter mill tax. Then the Tax Commission was supposed to fix the percentage of that value of a hundred percent of value which would yield the amount of money appropriated by the Legislature. That's how the state property tax system was supposed to be administered.
There was a further provision requiring that for local tax purposes, after the property was listed on the rolls at a hundred percent of value, the local government not the school boards, now, because remember they're tied in with a hundred percent assessments in Article XII the police juries, municipalities and others, were to fix a percentage of value upon which their millage would be exacted, and that percentage of value was not allowed to be under twenty-five percent. There was a twenty-five percent minimum.

In addition to that there was a statutory requirement which required, in very explicit language and terms, an equalization by the Tax Commission annually. Annually, the assessors were to file with the Tax Commission extracts of the rolls and the extracts of the rolls were to list classes of property: unimproved rural lots, unimproved urban lots, rural farm acreage, rural timber acreage, and so forth. The assessors were to file these extracts with the Tax Commission. The Tax Commission was charged by this statute with determining an average value of each class, and then after they determined the average value to apply the factor to each parish to make sure that the assessments were equalized. Apparently, what that thing meant to do was to insure that farmland in Assumption Parish would be valued on the rolls at the same assessment value as farmland in Caddo Parish, and that an unimproved urban lot in Napoleonville would be on the rolls at the same value as an unimproved urban lot in downtown New Orleans.

That's the way the law was when Bussie against Long was filed. As a result of the threat in Bussie against Long, the Legislature took some steps and the people took some steps to change some of the provisions in the law and the Constitution.

Some of the curative measures we repealed Article X, Section 12, which said generally that all property shall be listed on the tax rolls at a hundred percent of cash value and filed with the Tax Commission.

We repealed the state wide property tax. We repealed that provision of the law requiring the Tax Commission to annually equalize. And we amended Title 47, Section 1989 which deleted the authority of the Tax Commission to fix the state wide percentage of value, and allowed the local governments to fix a percentage of value on the assessments that their millage would be levied on, and were moved the twenty-five minimum requirement.

There were all sorts of other measures taken that were defeated by people at the polls in election in November. One measure was an amendment to Article X, Section 1 which provided that the Tax Commission would fix the percentage of value for state tax purposes, and that would be applied locally for state tax purposes. Since the repeal of the State Property Tax, that provision is probably obsolete and the defeat was immaterial.

But there was another amendment that was submitted to the voters at the election in November that stated that in the event of any state wide equalization as a result of court orders, the millages would be automatically and forcibly rolled back to guarantee that property taxes would yield only what was collected in the preceding year. For some unknown and unexplained reason, the public turned that one down.

So where are we right now?

Conclusion.

What posture is the law in now?

I don't think Judge Doherty's decision said, and I don't think anybody can challenge the constitutionality of the laws of the State as they're relating to property taxes as they are presently on the books. There's nothing which violates the due process and equal protection clause in the Fourteenth Amendment as the State Constitution and the state statute are presently written.

Where does that leave us?

There is a statutory requirement that property be listed on the rolls at a hundred percent of value. There is a provision in Title 47 of the Revised Statutes which says the assessor shall list at a hundred percent, and it's subject to review by the Tax Committee.

That's the law in Louisiana today.

There is, however, is no longer any requirement of equalization as the law spoke of it before the last session. There

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is no longer any requirement that unimproved vacant lots, urban lots in Assumption Parish be on the rolls at the same value as unimproved lots in Caddo Parish. That's been removed.

The minimum requirement of twenty-five percent of value by local government has been removed. The authority of the Tax Commission to fix a state wide percentage of value upon which property in the State millage shall be assessed has been removed. And, of course, the State Property Tax has been removed.

Where does that leave us today?

I think the law presently requires tax assessors to assess at a hundred percent of value; I think it presently requires the Tax Commission to see that the properties are listed on the rolls at a hundred percent of value; I think it is a requirement that police juries and local government authorities to fix a percentage of value on that hundred percent upon which their millages are to be levied. And it also allows multi-parish districts to fix their percentage of value upon their millages which are being levied throughout the multi-parish districts.

There's nothing unconstitutional about that.

It presents a number of political problems, however.
Illustration: Last year in Assumption Parish, by somebody's figures and lets' assume they're correct, property was on the rolls at twenty-three percent of value by the grace of our assessor, instead of a hundred percent of value.

The police jury never adopted a percentage of value, so

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theoretically millage was levied on a hundred percent. And since we were on the rolls at twenty-three percent, the millage was levied at twenty-three percent. If, under the edict of the court and the direction of the Tax Commission as a result of compulsions of the court, our assessment in assumption goes to a hundred percent of value, the door is open now and the next step is to be taken is for the Assumption Parish Police Jury to convene itself and adopt a percentage of value on which millage shall be levied at twenty-three percent. By simple arithmetic, Assumption Parish Police Jury would collect in dollars and cents the identical amount collected the prior year. There would be no traumatic an inordinate increase in property taxes.

Well, what's the political problem here?

The political problem is this: Suppose the Assumption Parish Police Jury decides it needs a forty percent increase in revenue, because last year it couldn't perform some of the functions it wanted to, and instead of adopting twenty-three percent, it went about forty percent to thirty-something percent, or whatever it is. Then the people, by simple resolution of the local police jury, a forty percent increase in tax. That's not a legal problem, gentlemen. That's a political problem, I'll tell you that.

And we have to also remember that the State Constitution presently requires of the school board that it collect its five mill compulsory tax and its general alimony taxes are a hundred percent of value.

Now what does that mean?

If, in the parish where we are, at twenty-three percent by the grace of our assessor, and we're forced to go to a

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hundred percent, and the school board has to levy or collect some ten mills for general alimony tax at a hundred percent of value, then the taxes are going to be quadrupled. So then you do have an inordinate, traumatic, unreasonable increase in taxes.

I think we ought to address ourselves to that.

And the only way we can address ourselves to that is probably by constitutional amendment or by revision of the constitution by this convention.

There are some problems about equal protection and due process in the Fourteenth Amendment that we ought to talk about, because I think the state constitution allows us ample opportunity to classify property. And I think we can change Article XII of the constitution requiring that school taxes be levied at a hundred percent of value, and I think we have the tools at our disposal and the means to work with now to change all the words that we presently have about increase - traumatic - and inordinate increase in tax. We can provide for classifications of property; we can adopt a percentage of value; we can get away in this convention from a hundred percent valuation on the tax rolls. And we can get away from the possibility of abuse of authority by local police juries, and local municipalities, and taxing authorities. We can do all of that, I think, in this convention, and with some simple revision of the statute after this constitution is adopted.

But, whatever we do, we have to be mindful that the classifications must be reasonable, that the proper authority must fix the percentage of value, and that taxes cannot be assessed arbitrarily and in discriminatory manner. We can't do anything about that. The federal government's going to make us do that.

And then again, that's what we want to do, isn't it? Don't we want people to pay taxes on a non-discriminatory basis? Don't we want people in a similar class to be treated fairly and similarly. That's the proper direction, I think, and we ought to move in it.

(tape failure) and because I've heard it so often and I've heard it as suggestions from our tax assessors. But the simple answer on the problem is classification of property and allowing the taxing assessors to fix the percentage of value. Politically, that's probably the easiest solution, because most of us trust our tax assessors and most publicly state their trust of the tax assessor, because our experience with the tax assessor in the past has not been that they've overburdened us with property taxes. Any complaints that I've ever heard is that they've been too low, so that most of us have faith and trust in them. And that's politically and probably the easiest solution.

But I'm not only my personal opinion, a lot of us are not satisfied that we can do that and still satisfy a number of requirements of the federal constitution. That was done in Alabama and let me just review this for a minute. And it was mentioned by Judge Doherty in his decision. In Alabama, to sidestep the problem, the legislature said assessors shall fix the percentage of value not to exceed twenty-five percent. The court struck (tape failure and tape change)

choice as to what his tax ought to be, and shouldn't
be and couldn't be left to the whim of some official who didn't have taxing authority. Secondly, the due process delegates were to avoid the vagueness choice, and secondly it was an improper delegation of taxing authority. Said it couldn't be done that way.

Now, let's see how that applies here in Louisiana.

We have Article X, Section 5 of the constitution which delegates local taxing authority not to tax assessors, but to the local government, police juries, school boards and what not. We'd have to first change Article X, Section 5 if we're going to eliminate the requirement that the police juries and the school boards fix the percentage of value upon which the taxes - on which the millages could be levied.

Secondly, if we're going to delegate this authority to tax assessors, the federal courts are probably going to require that the statute be so explicit in its terms that the assessors be required to use some objective standard that other people can determine, and not something solely within the rapport of his own bosom. We must then be able to give the assessor in the statute some objective standard that he must apply to all classes of property, so that people in the class can determine for themselves and other people can determine if the assessment suits the property. And we ought to talk about that and try to resolve that before we go off in the direction of simply turning the matter over to the assessor to (garbled) I hope I've made some contribution.

In closing, I'd like to say that first, if there is discriminatory levy of property taxes, it's no longer for the benefit of the State Treasury. The state's gotten out of that. So it's not the State Treasury levying discriminatory taxes.

That's done on a local basis. The tools are available for us now by provision of the constitution to satisfy any requirements that are abnoxious to the decision requiring listing property on the rolls at a hundred percent of value.

But whatever we do, we have to satisfy the federal constitution and the Fourteenth Amendment, and we have to worry about proper delegation of authority.

And, in closing, I'd like to say that I think all of us agree that regardless of the decision we make, regardless of the direction we move in, there will not be any traumatic, dramatic increase in property taxes.

Thank you.
2. Local and multi-parish Gov. - can roll back - % of value to
prior years - revenues - example
3. No equalization on annual basis -
4. State Tax at 100%.

Any solution requires looking at
- equal protection and due process 14th amendment
- Const. of State allow classification and assessment on local basis,
- equal school tax - must be at actual value -

B. v. Long Found Tax Comm. requirement to assess only statutory
- could sterilize Tax Commission.

Westinger v. Boswell raised another problem of unlawful Delegation
- Assessors and Void for Vagueness problems of Due Process
- Must be viewed in light of X,5 which delegates Taxing Power to
- Local Gov. -

Active Standard
- Tax

Proper Delegation

Yebarth Statement of Lawrence Chehardy
To: Subcommittee on Ad Valorem Taxation
March 30, 1973

We have fifteen minutes, and in fifteen minutes you can barely
sketch an outline on which to start talking about this subject.
I believe some of the important matters that should be brought
out.

The first - Is this horror of Judge Doherty in the Victor Bussie
suit to bring equalization upon Louisiana the first attempt to
force equalization upon Louisiana? And the answer is no.
Actually, I believe, Representative Triche has given a good outline
of the Bussie suit to bring one hundred percent assessment
- to Louisiana. So, I won't dwell on that at length. But what I
want you who are faced with the decision of studying the Con-
stitutional provisions pertaining to Property Taxes, I want you
to understand that this is not something new. Even prior to
this suit, there was an order put out in Louisiana based on work
performed during 1964 and 1965, before I was an assessor actually,
and as a result of which work by the study committee, equalization
was ordered in the State of Louisiana.

Now, every assessor was furnished (the day that I took my oath
as an assessor almost eight years ago, this was on my desk ready
to be put into effect, and this started my fight, and the
assessors started their fight as a group and it's been a unan-
imous fight since that time to prevent this plan, this very
vicious plan of taxation, from falling upon the backs of the
people. This is to give you some concept of the regimentation
that they would put the people through. And when I tell
you that these books outline how to measure every inch of wood
in a man's home, how to count the nails, how to worry about the
type of slate being used in the floor of Class A, residence, Class B, Class C, Class D, it's to the point of
ridiculousness. It's an ideal situation for a professional
appraisal staff to at least of a community, probably to make a couple of million dollars off of Louisiana alone if they
would be hired to re-value all the property.

Then they have another book on commercial properties, telling
you how to value such things as a barber pole, how to value a
shaving mug that a barber uses, or his chair. In other words,
there is not a dollar's property belonging to the small business
man, or a dollar of property belonging to a homeowner that they
have not put at the disposal of the spending of government.

Now, these two volumes will be at my desk for you to peruse, if
you care to.

The upshot of it was that as soon as the realism hit home, there
was a tremendous surge of resistance by the assessors and by

Chehardy Statement
March 30, 1973
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other elected officials and the matter was brought to rest.

Actually, this would - I would say that it was recalled, the
order, to equalization, was recalled in probably February of
1956 and then things fell back as they were.

This did not stop the drive of Mr. Bussie in his zeal and
desire to bring equalization or one hundred percent assessment
to the people of Louisiana. So, in this regard, he filed the
suit that Mr. Triche referred to.

Now, we have the decision. But, prior to that decision be-
coming a judgment, steps were taken.

And, just briefly, and again repeating what has already been
said but maybe driving home the importance of it, the Con-
stitutional mandate for the hundred percent assessment was re-
moved. (And I've always thought of the Constitution as the
best expression of the people's will.) The judge made very
much over the fact it was removed by the fact that he searched
through the books for the remaining phrases, the remaining
places where there was a phrase such as "at actual cash value" on
which to base this plan asked for by Victor Bussie.

Now, we also not only removed it as a constitutional reform,
in other words the requirement of one hundred percent assess-
ment; the requirement for a twenty-five percent minimum tax
was removed. The State got out of the tax business. The will
of the people spoken through the Legislature, spoken through
the amendments as approved by the people, did indicate one
thing and made clear the will of the people, not what you and
I want. This went through Constitutional amendments, this
went through the Legislature, and the net result was "We do
not want one hundred percent assessment in Louisiana".

So, none of the less, in this judgment that comes along and the
judge himself says that even though there was a attempt in
the Legislature, in effect he says, to remove this requirement
for one hundred assessment, we do still have these other areas
and he lists fourteen of them.

Well, at the fiscal session that means fourteen more amendments
that our good Legislature can take care of to remove that in-
sidious requirement from our Constitution. But, the

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Equalization sounds like a good word. Sounds nice; it's like
mother-love. But equalization is a racketspade. It's the
most vicious plan ever devised by a tax expert.

Why do I say this? Because in a society, and not only in
Louisiana but throughout America, where traditionally assess-
ments have been not been put at true value, at actual value,
and where traditionally assessments have been gauged to the
tax rate in the community?

In Louisiana, we have sixty-four parishes with sixty-four
different tax rates. Something has to be the stopgap, the true
balance agent. And the true balance agent has been assessments.
Assessments have been based on the amount of millage or tax
rate in a community. Thus the discrepancy in tax rates.

Now, even with this discrepancy in assessments, if you did not
have different assessments from parish to parish, you would have
the worst inequity of all, cause you would have a parish levy-
ing someone at, say, fifty percent of value, and they had a
percent of that tax of only one thousand, so you would see
what that would mean with one tax the taxpayer would pay.

You have another situation where the taxpayer is assessed at
ten percent, or at twenty-five percent but would pay, say, a
hundred dollars a thousand. He'd be paying four times as much
taxes.

So, the way that was corrected so there was no common denominator
whereby one parish could say, one citizen in the parish could say
he was paying more than one in another parish, they removed
the State out of the property tax business.

We still have other areas to correct. We have to clear up the
problem of districts, multi-parish districts, and that can be
cleared by legislation. The answer is not putting the people's
property on the rolls at actual cash value.

Then you've got the premise that our society is not based on
everyone being put on the roll, coming from the inception of
our country. It's just never been done. There's no way that it
has ever been offered without a horrible result.

I've sent many of you all, and practically everyone should have
received copies of the historical problems, what has resulted
in the past two years alone when any attempt has been made to
blanket taxes on at one hundred percent of value.

Now, the effect of this decision as it stands today, and this

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is important. What this decision means is that if this problem
is implemented and not corrected as we can correct it, is not

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corrected it means that every man's property, every business will go on the rolls at one hundred percent of value. The first bad effect of doing it, and this important: what I'm going to tell you now, it wipes out your homestead exemption, a Homestead Exemption which has just been voted upon by the people, renewed by the people in a more vigorous form, a more positive form than it's ever been before.

We now stand on the threshold of loss of the Homestead Exemption for the people of Louisiana. That's how important this decision is.

Now, let me tell you why, in case you don't understand, why we'll lose the Homestead Exemption.

If we list a man's home, let's say the home costs $40,000, and you put that home on the assessment rolls at actual cash value of $40,000. Under this decision your $2,000 homestead will come off $40,000; it doesn't matter if you take it off the top or the bottom. The community needs X number of dollars to operate. Everything will be based on need. So let's say the community needs one million dollars to operate, and the assessed property, all of it subject to Homestead Exemption.

So, before this decision, a man gets his Homestead Exemption; he's guaranteed so much of a Homestead Exemption. You took your percentage of the $40,000, at ten percent for parish, that's four thousand. You took off the $2,000 on the assessed valuation and it leaves the tax as the remainder.

Under this situation, that no longer exists. If that whole community where the spending arm needs a million dollars to ten million dollars, let's say that two million of it will be the Homestead Exemption. So, you say "all right, you've got the $2000 Homestead Exemption needs a $2000 out of the tax." Before, when you add the whole ten million available for taxation, they would levy, say, a hundred mills, a hundred dollars per thousand, and that would give them the million they need to run the community.

So now, when you tell the homeowners, "all right, well, we'll take off $2000 for the Homestead Exemption," all they do then is still have the million dollars, and have a half mills against eight million dollars. In other words, we have virtually destroyed the Homestead Exemption, actually perhaps causing a greater amount of taxes to be paid.

And that, to me, is the most insidious effect of this judgment.

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and those that handle the spending end of government, "spend what you need".

Positively, your taxes would be increased, at least by the amount of the Homestead Exemption. The amount ofillage to be lowered I say will be negligible, at best. And, if anything, the result will be just as it has been in every other state, an immediate doubling of taxes from around the state, in the parishes, with the constant increase every year.

Another byproduct of this plan is the reappraisal of property every year. How can we conceivable sit back and let a plan come into effect that a man looks at a home, knowing that next year new appraisers will be out. New appraisers will set a new value and what he has budgeted for his retirement pay, what he has budgeted as a young husband, as a working man. No matter what he's budgeted a certain amount of money, and every year he's got to look forward to an increase from fifty to a hundred percent. It's always been that way in the first year.

The amount of remedial legislation to correct this is not good enough. There are several pieces of legislation put into the convention, some were put into the fiscal session. But the most important thing at this time for us to recognize is that we do have a problem and that we do have to correct it.

At this time, I'm not going to go any deeper into the subject. I have seen nothing but the terrible situation for all of us if we do not correct it. And I trust that this convention will come out its session with a good revenue proposal.

VERBATIM TRANSCRIPTION OF ADDRESS BY SENATOR J. D. DIBLEY
TO THE SUBCOMMITTEE ON AD VALOREM TAXATION
March 30, 1973

Mr. Chairman, gentlemen of the committee, others present. I don't think it's going to take me too long to make the few, brief remarks I have to make with reference to taxes and equalization.

I might say that Mr. Chehardy spoke to me about, I don't know why it would make that much difference, but he said that he had to leave early and he wanted me to speak first. I might suggest it to him that since I'm not going to have too much to say, he might want to leave now.

The first thing I'd like to tell you, the committee, is that there is no such thing as the law as one hundred percent assessment, except in one instance - only one instance does the law say anything about one hundred percent assessment. It uses the words actual cash value. Now, actual cash value can have several meanings. Most of the time, I know Mr. Chehardy and those who have been taking his side, have always tried to confuse the public by saying actual cash value is one hundred percent of value. I'd like to state right now that there is a difference in assessment of property. The valuation is what the property is actually worth or listed at on the assessment rolls. That is what the law says and what it should say. The assessment is the percentage of that valuation which would take to apply to the millage.

Now, at the present time, the assessors have been using valuation that they brought into arbitrary select, and then they apply the assessment to one hundred percent of that valuation, apply the millage to that assessment. That is contrary to the law, and that is what the law wanted to do.
believe it or not, was assessed at point seven percent of its value. And you just think about that. Point seven percent of its value. While some property was assessed as much as five hundred and thirty percent of its value. Yet they're all paying state taxes.

I find it kind of hard to find words to express what Mr. Chehardy means by a vicious plan that makes me get the same treatment my neighbor or as my friend in Caddo Parish, or Jefferson Parish or any multi-parish district. Of course, since the repeal of the State Tax now, unless the parishes are in the same local tax district, it's not necessary that the taxes appear on the same tax base.

But at least, insofar as everyone within the same tax district - whether it's parish or ward or multi-parish areas, whatever at least they should be treated the same.

I just can't demand what's so vicious about it, and I can't understand why that would be a rattlesnake proposition. Of course, my views are all based on the premise that we're going to be, at least we want to be treated equally, fairly and non-discriminatory in our taxes.

But now before we get down to some of these equalities, let me refer you to page ten that helped Judge Doherty to make up his mind in reference to this decision. And, by the way, let me say this, the original case was presented to the Supreme Court and that really was one side of the decision. The only thing was, we had to do on this issue, you might say, was to come into court and ask the tax commission if

they had been doing their duty, and they said no;

And therefore, under the Supreme Court decision, we all decided we'd automatically get a decision because the law was plain as to what should be done.

And, gentlemen, you read that law. There's nothing wrong with the law which says you and I should be treated the same way. Uniformly. Equally. But some people don't like that principle, and the court found - they said they had clear and systematic irregularities of the assessment of property in the same class, is unconstitutional, discriminatory against one who is compelled by such a system to pay more than his fair share of the aggregate tax. It is not important whether this irregularity by the statutes set, or merely its administration.

And, as I pointed out to you a few minutes ago, the law is clear. The law says it should be uniform. The law says it should be equal. The law says it should be non-discriminatory. But the court found that that was not true. In fact of the business, they stated on page ten of the decision, their review of the testimony on the trial of this matter that showed that very few of the assessors throughout the state make periodic re-evaluation of property within their respective parish. In fact, the Assessor of
Lafayette Parish admitted that he valued property solely according to the prefixed classification, which valuation in each classification had been the same for the past fifty years."

Now, this might be of interest to Mr. Chehardy. On that same page, going down a little bit further, the court said "one home in Jefferson sold for $12,500 and was assessed for $2,100, whereas another home in the same parish was sold for $12,300, was assessed for $400. In Lafayette Parish, a home which sold for $8,000 was assessed for $2,200; whereas a $47,000 residence was assessed for $2,200 or approximately the same, although it sold for almost $40,000 more."

I have a few examples that I think you assessor ought to be interested in. (Shows photographs with reductions made on the tax rolls for the year 1972, assessing property below 1971.)

Those manuals which were sent out to the assessors, I think, in 1967, were sent there to aid and assist the assessors in deriving the value. And I'm quite sure that if they looked at those manuals - I'm not saying that they had to go in and evaluate every nail and everything - but, they certainly wouldn't have come out with figures like that for the values of property. If you remove from the law the words "actual cash value", what are you going to substitute in its place? You've got to use something. What are the assessor using now to determine the percentage that they're going to put to as the assessment on the valuation of the property? They've got to have some criteria of doing it.

So, the law stated the use of actual cash value. That means what the property is actually worth. What could you get for it if you actually put it on the market willing to sell it to someone willing to buy. And that's all it means. You've got to have some criteria to use. And it doesn't make any difference whether you ask five percent, or ten percent, or twenty percent or whatever it is, you've got to use twenty percent of something. So what are you going to substitute in its place? That's all words, and that's all we use "actual cash value" in the law.

I feel like that I can be of assistance to the committee, because of my knowledge and study that I had to make in order to fight this case through the court. And the only thing that we're interested in is that when you have property, that you have equal value subject to equal taxing authority, that the taxes should be equal on those two pieces of property. That's all it means and it doesn't say that you have to pay taxes on one hundred percent of the value. Actually, it may be ten percent of the valuation of that property. It may be based on ten percent of the actual valuation.

But certainly, let's treat all our taxpayers in the State of Louisiana the same non-discriminatory, equal fair and just way. I think Mr. Triche explained that to us, the committee, very well. We ought to follow the law, and I don't think the courts are going to let us do anything less than that.

Now, insofar as turning the complete question of the valuation of property where the assessor should make all the valuations and determinations of how much tax is going to be paid. I don't know if that would be good or not.

But I certainly think we have to allow the assessors the leeway in making the valuation and we should set up some standard, so we can set up a check point so we can have a balance of outcome, checks and balances. And it ought to be that way.

And that's the purpose of the tax commission serving us now. I don't think the tax commission is going to usurp the power of the assessors. I don't think we want that. The assessors are locally elected and responsive to their people. And as long as they do their jobs the way they should be done, I think that's right.

I believe now that the attention of the public is going to be focused upon the assessors in a way that they are going to do a better job. But let's all do it uniformly to the best of all, and not let some of the parishes do it right, and other parishes reap the benefits in the access of Revenue sharing out of money because they have such losses and out of the same taxing district.

I'll be glad at anytime any of the committee members want to talk to me and give them the advantage of my studies, because time doesn't allow my going into all the law and facets of it. And you may have some questions, which I'll be glad to answer at anytime.

STATEMENT OF SENATOR J. D. DeBLIEUX
TO THE COMMITTEE ON REVENUE, FINANCE AND TAXATION
ON MARCH 28, 1973

There is nothing in the law with reference to the assessment of property which states that property shall be assessed at "100% of actual cash value". That is misleading and absolutely contrary to law because the law provides that property shall be listed at its actual value and shall be assessed a percentage of its actual value.

The only place in the law where the words "100%" are used is in Article 12 of Section 15 with reference to the levying of the 5 mill tax by each parish for school purposes. That proviso reads as follows: "Provided,
that this constitutional tax shall continue to be levied, assessed and imposed upon 100% of the assessed valuation of property for state taxation purposes.

As can be clearly seen, this 100% applies only to the assessed valuation, not to the actual cash value and is applied only to the property which is assessed statewide. Since we no longer have property subject to statewide taxation due to the repeal of the 5-3/4 mills, therefore we might say that this is no longer in the law.

There is a difference in the meaning of the word valuation and the meaning of the word assessment. Valuation is what the property is actually worth. Assessment is the percentage of the valuation to which the millage is applied. Judge Doherty made that very clear in his opinion when he stated on page 4 of his opinion, when he said that Section 1989 used to require the state to set the percentage of actual cash value which the parishes and special taxing districts were allowed to levy on property. Since this section was amended and I quote: "The local authorities may fix assessments as they please for local purposes as long as it is applied equally and uniformly on the basis of the actual valuation as fixed by the Tax Commission".

Equalization does not mean an increase in revenue. It only means that properties of like value subject to the same taxing authority will be treated the same. This certainly is not true at this time when we have valuations ranging anywhere from 7% to 55% of actual cash value.

With reference to Mr. Chahardy's statement that this is a "vicious plan" what is vicious about treating everybody the same, fair and just? It is because this has not been done which brought this situation about. I quote from Judge Doherty's decision on page 10: "A review of the testimony on the trial of this matter shows that very few of the assessors throughout this state make periodic reevaluation of property within their respective parishes. In fact, the assessor of Lafayette Parish admitted that he values property solely according to a pre-fixed classification which valuation in each classification has been the same for the past 50 years."

This also may be of interest to you, quoting from that same page: "As an illustration, one home in Jefferson sold for $12,500.00 and was assessed for $12,300.00; whereas another home in the same parish was sold for $12,300.00 and assessed for $400.00. In Lafayette Parish a home which sold for $8,000.00 was assessed for $22,000.00 whereas a $47,000.00 residence was assessed for $22,000.00, or approximately the same, although it sold for almost $40,000.00 more."

And while we are talking about Jefferson I call your attention to these (shows photographs with reductions made on the tax rolls for the year of 1972 assessing property below 1971).

There is nothing in the law which says that the property in one parish has to be assessed for the same sum as that of another parish, however if the two parishes are in the same taxing district then you must apply the same standard to each one.

Equalization is not a "rattlesnake" as Mr. Chahardy says it is. It just means that all taxpayers will be treated uniform, fair and nondiscriminatory and I don't believe we can say that is the picture now.

NOTES

Memorandum on Busse v. Long is reproduced with the Full Committee Minutes, March 16 and March 17, 1973, above.

A LOOK AT LOUISIANA'S PROPERTY TAX PROBLEMS

(An address to the Revenue and Tax Committee of the Constitutional Convention by Peggy J. Mire, Assessor of Ascension Parish, Louisiana)

This committee has been charged with the responsibility of presenting to the Constitutional Convention a solution to one of the most controversial and possibly the most significant phase of the new constitution of our state. This charge is to arrive at a system of property assessment and taxation which would satisfy the courts and more particularly, be fair to the taxpayers. As a member of the committee and because of my years of experience in this field, I feel it is my duty to present for your study and consideration a few of the problems as they relate to the current court order on property tax equalization and the property assessment and taxation system in general. Much has been said about the homeowner, the unfairness of values placed within parishes, between parishes and it seems that the whole court case was tried and decided based on examples of values placed on homes. I would like to bring to your attention this fact. As important as the homeowner is, there are many other classes of properties bearing the brunt of the total Ad Valorem Tax. These various classes of properties are assessed by several methods. In looking at these methods of arriving at a realistic value we must concern ourselves with the different classes of property we tax and the related problems existing in arriving at a fair taxable value. Let's take a look at some of these properties.

1. Oil and Gas Property

Traditionally, these are valued by the Louisiana Tax Commission as per a schedule set out by the Tax Commission. In many cases these property values will not relate to cost, actual value, or appraised value due to their being on a statewide basis.

2. Manufacturing Plants Coming on the Tax Roll

In some cases these are put on the tax roll on the basis of a final cost affidavit at the expiration of the ten year exemption period. Others are put on the tax roll on the basis of appraisals made by professional appraisers hired by the industry. I contend that a more realistic approach toward evaluation of these plants would be based on the proportionate per cent of their end of year consolidated statement as to the assets of the plant or division in question based on market value of the stock. These plants change hands or ownership very seldom and in most cases are never put on the market so that there is no criteria for establishing actual cash value.

3. Public Utilities

Assessment and valuation of this class is a function of the Louisiana Tax Commission totally.

4. Retail Outlets of Goods and Services

Inventorys, machinery and equipment, furniture and fixtures are assessed at a certain per cent of cost. Is it fair to assess all inventories of retail outlets at the same per cent of cost? Take a supermarket, for example. It may turn over its entire stock on a weekly basis. A furniture store may move most of its stock two or three times a year. Machinery, equipment, fixtures and parts outlets have even less turnover. Think of the varied businesses and their ratio of inventory to sales, varied mark-ups and/or per cent of profit. Under acceptable norms a fairer practice would be to evaluate inventories by classes.

5. Financial Institutions

A group of financial institutions whose assets are negligibly assessed are savings and loans, finance companies, mortgage loan companies, insurance companies, and brokerage firms. The credits or true value of these companies are particularly hard to determine. Banks in Louisiana are assessed under a special provision by the Louisiana Tax Commission and based on the capital structure. Under this provision the per cent of its capital account will be assessed at 30% by the year 1978. My experience has been that the banks are deducting from their capital accounts such items as interest accrued but unearned, reserves on loans and securities, and other unallocated reserves. Many times these reserves will amount to more than their admitted capital. In the case of a national bank, the Comptroller of Currency considers all of these reserves as part of its capital and allows only unearned interest to be deducted from the capital account. It would be interesting to compare the year end consolidated published statement of most banks with the Ad Valorem Tax report submitted to the Louisiana Tax Commission in an attempt to reconcile the capital account as published with the capital account as reported to the Louisiana Tax Commission for tax purposes. The net result of this system of reporting is a taxable value far less than the provisions of the law.
Another interesting observation in the banking field is the fact that the capital account of a bank is based on the book value of its stock, however, in my parish bank stocks are selling for much more than the book value and in some cases as much as double that value. Now, just what is the actual cash value of a bank?

In Ascension Parish, for example, we have four banks. In studying their Ad Valorem Tax reports I found that where one bank reduced its capital account by as much as 49%, another showed no reductions. After calling this to the attention of the Louisiana Tax Commission and the bankers, the reports were revised allowing the same proportionate per cent of capital to be used in redress in all banks in the parish. This resulted in an equitable assessment practice. When looking at equalization and for a value for tax purposes in the field of financial institutions this should be given particular study so as to be administered uniformly statewide.

6. Public, Fraternal, Religious, Hospitals etc.

These classes of property, normally exempt, should be carefully looked at and adjusted according to their justification. Is it possible that some of these exempt properties are now competitive with private enterprise and comparable in income produced?

7. Real Property - Homeowners, Land Owners, Farmers, Investors, Developers etc.

Because you are so familiar with these particular classes, I don't feel it necessary for me to go into detail about them. I would, however, like to recommend very strongly that these properties be assessed by a system of classes covering like properties.

In addition to specific problems and practices in the assessment field, the court order demanding statewide equalization presents further problems for your serious consideration. In my judgment, its implementation by the Louisiana Tax Commission will give the power of setting the actual cash value of all taxable properties to the Governor through his appointees. Should the Legislature decide to fund the Louisiana Tax Commission, and this would be a very costly undertaking, I assume you would hire so-called 'experts' or professional appraisers to arrive at these values. Because values differ considerably throughout the state depending on the location, you know as I do that three qualified appraisers in any one area in the state will differ, and in most cases, differ significantly on the value of the same piece of property.

Having served twenty years as Tax Assessor and being a licensed real estate broker, I know that I am qualified to value local properties. If called upon to appraise properties outside of my area I would of necessity associate myself with a local appraiser to determine the value of such property. It would be impractical, unworkable, and unethical to have that professional appraiser could in fact arrive at a fair actual cash value of all properties on a statewide basis. Further, the cost of such a system would be prohibitive. You might say here, "What if they hire local appraisers only?" Let me point out the pitfalls of this.

The professional appraiser or appointed 'professional' assessor would be another giant step toward taking away from the people their voice in taxation and throwing it into the hands of state government. Under the present system, the assessors of Louisiana are elected by the people, answer directly to the people, and can be removed by the people if they are unfair. Our constitution is based on a system of checks and balances and the present system leaves us one man maintaining a check on our property taxes. A professional appraiser would have to answer to the Governor only. The people would have no means of redress.

Further, assessors meet property owners face to face. They are accessible, as they are required by law to live in the district where they value properties. They know the problems of the homeowner and also the problems of the businessman. The professional assessor or appraiser would not know the pulse of the people, the local economic conditions, local values, or local needs. Indeed, a change in this area would only add further chaos to an already most complicated situation.

The problem of equalization confronts not only individual parishes but also the multi-parish taxing districts. To eliminate a common denominator, would be possible for state agencies to take over the duties and responsibilities of all multi-parish districts including debt and debt services? This is possible and warrants serious study.

If after all is said and done we are forced to equalize on a statewide basis at actual cash value, and that per cent of actual value is the same in all taxing districts, I contend that the bonded indebtedness will reduce its millage proportionately to the assessment increase. The area that frightens me is the maintenance millages in the various service districts of our local and municipal governments. As a practical matter, I know all local governments need additional revenue for added services and/or improvements and for this reason the reduction in these millages will not be proportionate to the increase in assessments.

After long and careful study of the problems involved in this issue I feel that the taxable criteria within taxing districts should certainly be uniform and equitable by classes. Further, to establish fair and equitable assessment practices throughout the state the Louisiana Tax Commission should be specifically charged with the duty of supervising assessment practices, with authority to compel each assessor to comply with the law.

Let us hope that we can come up with a solution acceptable to all.

ADVALOREM TRANSCRIPTION OF REMARKS BY HERMAN LONE

TO THE SUBCOMMITTEE ON ADVALOREM TAXATION March 10, 1973

Mr. Chairman, members of the committee,

We're running about a half-hour late and Senator Nunes has asked me to give him about five minutes of my time, and I'll be happy to, and in deference to the speakers this afternoon, I'll try to make it short.

I'm really not as concerned about the present, where we are today in the big controversy between the decision in the present court case and the feelings of Mr. Chehardy, Mr. Simon- eaux, and Senator DeBlieux, as I am about the future and what this deliberative body can do to bring some law and order to the chaos that we now have in Property Taxing.

I hope that as we come out of our deliberation that we can develop a plan that the people of this State will accept and make all of our problems today moot.

I'm involved on a day to day basis with one of the biggest taxes in the country, Income Tax. And the success of that particular program nationwide is a self-assessment program, where an individual assesses himself based upon the income that he has, and based upon the success of the income tax whether you like it or don't like it - it has met with some degree of success. Because there has been some order placed into that self-assessment program. People can believe that once they've paid their income tax, they have at least paid something equal to what someone in a situation similar to theirs has paid.

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Of all the important programs in the Income Tax is the Internal Revenue agents, because they see that the amount of taxes I pay is equal to the amount of taxes that my neighbor is going to pay, or someone in another state is going to pay.

And this, I think, brings us to the problem that we have in Property Taxes in the State of Louisiana.

Do you know that I, as a CPA, will not file a taxpayer's report for my client?

I take exceptions in the parishes of West Baton Rouge and Point Coupée, I believe, because I sit with the assessor based upon the fact that my client tells me to sit with the assessor, and give him the information. They have confidence in the assessor that allows me to sit and give him the facts.

Other than that, I do not file a taxpayer's report for my client. Now, that is a decision I made after filing some years ago some reports, realizing that my client comes to me and tells me that there's an inequity if I place on the taxpayer's report the actual value on his books, that he's not being treated the same as some other taxpayer, his neighbor or some competitor.

Now this is what they tell me.

The only way we'll file a taxpayer's report for a client
is that if he gives us a letter, telling us that he understands that he's telling us to place the actual cash value on his taxpayer's report. As a CPA, that's all we can do.

I don't think we should tell them it's going to work; I think they should tell us it's going to work. And, it's incumbent upon them to come to us and give us that plan. Without that, I don't know that we can do the job that we should do.

So, I'm going to close by saying that I look forward to seeing the assessors, speaking with the assessors, and look forward to the day when we wrap up our work on this "CC/73" and send to the people a plan that's going to bring equal treatment to all.

VERBATIM STATEMENT BY DR. JAN DUGGAR, DIRECTOR OF GULF SOUTH RESEARCH INSTITUTE TO THE SUBCOMMITTEE ON AD VALOREM TAXATION March 30, 1973

I appreciate the opportunity to be here this afternoon with you, however, I find it's very difficult to come before a well-informed group such as yourselves, and hope to present any meaningful additional information on such a controversial topic as the Property Tax.

Property Tax has been studied, debated, condemned and appraised in Louisiana to the point where there are numerous reports and position papers available to you on this method of taxation. Furthermore, the tax laws as they're read appear to be similar in many respects to the tax laws you find in the books of numerous other states.

In my opinion, the difference between Louisiana's Property Tax system and other states lies in the area of administration practices.

Let us discuss briefly the features of Property Tax Administration found in other states. First, the state agency. The agency responsible for administrating property tax usually is the Department of Revenue. There are still tax commissions in a number of states, Nevada, Louisiana and so on, but the trend appears to be in the direction of placing the administrative responsibility with a professional taxing group such as the Department of Revenue.

Second, the administrative organization or the administrative agency is required, in fact, required in forty-three states to conduct annual ratio studies in every parish or every county in that state. Forty-three states each year conduct ratio studies, county by county. The published results, can be used in taxpayers suits. These annual ratio studies are used for equalization, of course, between counties, for equalization within counties, and also provide a measure for local assessments practices.

Third, the state administrative agency provides information, instructions, manuals, maps, and other
material for the local assessor to assist him in establishing uniform evaluation. It could mean the introduction of special educational programs, through vocational training, and so on.

Fourth, the state agency appraises and assesses inter-tax district property, such as your railroads, public utilities, pipelines and so on.

Many state agencies now provide special appraisers to the local assessors, particularly for the purpose of assessing industrial and commercial property. Appraisers would be sent by the state office to the county assessor's office to assist him in the appraising of industrial and commercial property, the point being that there is a great tendency to under evaluate, because of the locational factor and the attraction of industry,

and that by providing this specialized service, you can avoid some of these pitfalls.

Sixth, the state agency should be sure that the appeal system is effective and readily available to all property owners and it's not involved in the elaborate and expensive court cases and procedures.

Let me review some of the practices that Mr. Daggett mentioned in terms of Kentucky. Since 1965, Kentucky obviously has undergone a dramatic change in its property tax system. Today, Kentucky is considered to have one of the better property assessment, review, and equalization procedures among all of the states. Fiscally, the state depends very little on property tax. It compares very closely with this state's receipts from the tax on net at the time we moved out of this area of taxation.

Nevertheless, Kentucky had retained control of the assessment process. The basic assessing unit is a cabinet of property valuation administrators and their assessors who are locally elected, as they are in Louisiana, by court decree or state officials. However, these local assessors are under the direct supervision and direction of the state department of revenue in making assessments. Of course, in Kentucky the constitutional level of assessments is fair cash value or a hundred percent. Assessors must submit annual assessment figures broken down by property classes within their county to the department of revenue. The department of revenue, at the same time, is required by law and in practice does conduct sales assessment ratios in each county and compares the two of data, to make sure the assessment rolls are within two and one half percent of the stated value.

When the level does not meet the minimum standards for all classes of real property, the assessment is returned to the assessor for re-evaluation. The department also has the authority to apply percentage increases to the aggregate assessment or to any class of property to bring the assessment to fair cash value. As a matter of fact, they've never had to do this, because they simply have returned the class rolls to the assessors, outlined the areas of disagreement, and the rolls have been corrected, and re-submitted, and accepted.

However, the department of revenue does have the right to impose an across-the-board increase if it's necessary. The taxpayers' rights under this system are protected by a comprehensive, but very simple, appeals procedure. Upon completion of local assessment, a local board composed of three individuals knowledgeable in property value, appointed for a four-year revolving term, meets and hears the taxpayers' case against the assessors roll. Any taxpayer who disagrees with the local board's decision, of course, may appeal to the Kentucky Board of Tax Appeals. This board is an independent, quasi-judicial body empowered to hear appeals from rulings of both state and local bodies. Hearings are held in the county in which the dispute arises, or near the property where the dispute is located. And, of course, the decision may be appealed to the circuit court and to the court of appeals.

Now the Kentucky Department of Revenue provides technical assistance and evaluation aids to the assessors, maintains an office staff and a field staff. The field staff is approximately thirty supervisors who work daily with assessors on assessment problems, particularly low assessments, and individual equalization problems.

Now, Kentucky is but one example. A number of other states have thoroughly revised their property tax electives in recent years. Attention is called to the case of Minnesota, Wisconsin, Georgia, and there are other states that have introduced comprehensive reforms in their property tax systems in the past few years.

Let me conclude by saying, it is my opinion as an individual that taxpayers have become accustomed to expecting uniform, impartial administration of tax law, and if the property tax is to be freed from this continued attack placed upon it, the administrative practices will have to be standardized. The matter of assessment practices is not simply a local issue. It has a very substantial impact on state-local fiscal relations. And I believe it's in the interest of the state government to maintain control over assessment practices.

I hope that as you examine the constitutional provisions and statutes that you will recommend to the people of this
state a system which assures state supervision, uniform assessment practices, equalization, and adequate research

to keep the system sensitive to the needs of the people of Louisiana.

Thank you.

VETERANS HOMESTEAD EXEMPTION
Mr. Chairman:

I am Dick Stagg, Director of the Louisiana Department of Veterans Affairs, here to discuss with you the matter of additional exemptions on homesteads for war veterans provided in Section 4, Article X of the present Constitution. Here with me are Mr. Wilson Robert, State Adjutant of the Louisiana Department of American Legion and Mr. Presl Piva, State Adjutant of the Louisiana Department of the Veterans of Foreign Wars. All members of the veterans organizations are vitally concerned with the preservation and continuation of homestead exemptions for Louisiana veterans.

We shall not attempt to give you a scholarly presentation on the techniques of property taxation or the impact of exemptions on property taxes. That is not our field. Instead we shall attempt to bring to your attention what we know the great majority of veterans in Louisiana want regarding homestead exemptions, what the veterans organizations in the state support in this regard and what a majority of the electorate of this state have repeatedly demonstrated by their approval at the polls.

We have attached for inclusion in the minutes of your meetings a brief history of the Constitutional Amendments providing veterans homestead exemption which have been approved since World War II. A total of eight proposed Amendments dealing with homestead exemptions have won voter approval. This is a good track record, and should prove conclusively that the people of Louisiana want our veterans to have the additional homestead exemption benefit.

The purpose of the first additional exemption of $1,700.00 which began in 1947 was to encourage the World War II veteran whose progress in life had been interrupted by military service to purchase a home and permanently establish himself, and to alleviate some of the burden of taxes on the home for a five year period while he acquired financial stability. Although the first Amendment stipulated a maximum of five years exemption, it also imposed a deadline of 1951 after which the exception could not be claimed. This 1951 deadline proved to be an error in foresight by the drafters of the Amendment.

It was apparent by 1948 that a large number of World War II veterans who were training for vocations or professions under the G. I. Bill would not achieve an employment status to qualify for purchase of homes prior to the deadline. A second Amendment extended the deadline thru 1954 and in 1958 it was extended through 1963 and Korean veterans were included for eligibility. Subsequent Amendments, all following the five year pattern, have extended the deadline and provided eligibility to veterans of World War I and Vietnam.

The last and current Amendment, Article 6, Section 3, Par. 2(4)(b), provides an additional five year extension to veterans of World War I, World War II, Korean Conflict and veterans who served in Vietnam with exemptions beginning with 1977 and continuing through 1979.

The same situation exists today which existed after World War II resulting in extensions of the deadlines. Many veterans will not need to purchase or be in a position to purchase a home for several years. The present 1979 deadline will deprive these veterans of some of all of the homestead exemption benefit they are entitled to.

In the light of the impact of the Veterans Administration’s “Homestead” Program in Louisiana, we have attached statistics showing that since World War II a total of 31,507 homesteads have been approved for more than five and a half million dollars. In 1979 alone 6,000 homesteads were approved and applicants are over 7,000. The G. I. and other veterans eligibility are equal in the application and approval.

If we look at the basic exempt homestead exemptions for veterans included in the proposed Constitutional Act and for veterans who served in the Korean conflict, a homestead exemption is provided directly in the Constitution, as surely it is, since veteran exemption should also be provided. Some of you are probably weary of hearing the phrase “protection of the Constitution” but objective political realism tells us that a Constitutional Act offer a certain protection against political whim and caprice. Further, a Constitutional provision assures uniform statewide implementation whereas Legislative acts acts may contain exceptions.

Recent reports of the state Ad Valorem Tax Commission indicate that the Constitutional Act and the amendment have been effective in the reduction of ad valorem taxes. It is predicted that local taxing authorities in search of additional revenue will readily initiate or increase existing property taxes to abate the villages eliminated by the state. Veterans Homestead Exemption covers parish taxes, too.
The $5,000.00 homestead exemption provided to veterans has been repeatedly approved as a constitutional provision by the electorate and should be included in a new document to insure uniform implementation in all parishes and protection against political expediency.

2. Every veteran who performed military service in World War I, World War II, the Korean Conflict, or at any time after January 31, 1955 and prior to the official termination of the Vietnam hostilities, should be provided the exemption benefit.

3. To assure fair and equitable treatment to all eligible veterans there should be no deadline terminating veteran homestead exemption.

HISTORY OF VETERANS HOMESTEAD EXEMPTION

Act 412 Reg. Ses.-1945 
Add sub-paragraph (b) to paragraph 9, Section 4, Article X of Constitution

Authorized $1,000 homestead exemption for a maximum of 5 years to veterans of World War II. Exemptions to begin with year 1947 and could not extend beyond 1951.

Act 347 Reg. Ses.-1948
Amended sub-paragraph (b), Section 4, Article X

Extended time limit for claiming 5 years exemption. Exemption to begin with 1947 or on date of title to property and to end after 5 years but not before 1954.

Act 346 Reg. Ses.-1949
Amended (b), Section 4, Article X

Extended time limit for claiming 5 years exemption thru 1956 and included Korean veterans for eligibility.

Act 505 Reg. Ses.-1956
Amended (b), Section 4, Article X

Extended time limit for claiming 5 years exemption thru 1966.

Act 538 Reg. Ses.-1958
Add new sub-paragraph (b.1) to Section 4, Article X

Provided total of ten years exemption to veterans with both World War II and Korean Service. To begin with year 1947 or earlier, extend beyond 1966. Exemptions used under previous amendments to be included in the ten year total.

Act 539 Reg. Ses.-1964
Add sub-paragraph (b.2) to Section 4, Article X

Provided additional 5 year exemption to World War II and Korean veterans and included World War I veterans for eligibility. Exemptions to begin with 1965 and continue thru 1970.

Act 695 Reg. Ses.-1968
Add sub-paragraph (b.3) to Section 4, Article X

Provided exemption to widows of veterans killed on active duty after June 27, 1950. Maximum of 5 years exemption to begin with the year 1969 and end 1973.

Act 707 Reg. Ses.-1968
Add sub-paragraph (b.4) to Section 4, Article X

Provided additional 5 year exemption to veterans of World War I, World War II, Korean Conflict and also included veterans who served in Vietnam. Exemptions to begin with 1970 and continue thru 1975.

VA HOME LOANS APPROVED IN LOUISIANA DURING WORLD WAR II

GUARANTEED LOANS

New Orleans Regional Office 31,975 for a total of $1,982,770,577
Shreveport Office 12,924 for a total of $815,517,027
Total Guaranteed Loans to Date 117,899 for a total of $2,838,287,584

DIRECT LOANS

Total Direct Loans Approved T. Date 7,671 for a total of $71,277,000

RECOMMENDATIONS TO THE FINANCE AND TAXATION COMMITTEE OF THE CONSTITUTIONAL CONVENTION OF 1973

By Representative Frank F. Simoneaux

1. What does the Russo decision mean?

In order to understand Louisiana property taxes, one must understand the two-step formula set forth in our laws:

\[
(1) \text{ (Actual cash value) } \times \text{ (selected percentage) } = \text{ assessed value}
\]

\[
(2) \text{ (Assessed value) } \times \text{ (number of mills levied) } = \text{ dollars of taxes produced}
\]

The assessors are responsible for initially determining the actual cash value of all taxable property but the Louisiana Tax Commission has the final responsibility. The various local bodies levying taxes are responsible for selecting a percentage of actual cash value upon which the authorized millages are applied. In most instances millages are fixed by law but some taxing bodies have the authority within certain limits to fix the number of mills.

Obviously if you fail to uniformly apply the first factor (actual cash value) to all taxable property, the end result will be unfair to some taxpayers. Likewise, if you adjust one factor upward and another factor proportionately downward, the same amount of tax dollars is produced. I suggest that we abandon the two-step formula because it is too confusing to the public. We should abolish the use of a percentage of actual value and proportionately reduce the number of authorized mills. By doing so we would adopt the simplest formula: (Actual cash value) \times (number of mills) = dollars of taxes produced.

There will always be some judgment to be exercised by the persons who value property and therefore some difference of opinion as to actual cash value.

The Russo case recognizes this judgment factor. But we should at least begin with a uniform valuation standard. All fifty states utilize "cash value" or "market value" as that standard.

\[
\text{A.S. 47:1702(2) defines actual cash value thus:}
\]

"Actual cash value," or "actual cash valuation," means the valuation at which any real or personal property is assessed for the purpose of taxation, after the assessing authorities have considered every element of value in arriving at such valuation. The price at which any piece of real estate or personal or movable property shall have been sold for cash in the ordinary course of business, free of all encumbrances, otherwise than at forced sale, shall be evidentiary only, and be considered with other factors in determining the actual cash value for assessment purposes.

We probably should redefine "actual cash value" in order to give the assessors and the Tax Commission better defined guidelines in valuing property.

The Louisiana Property Assessment Manual for Assessing Officials contains additional guidelines for determining actual cash value. Particularly troublesome are utility and heavy industry plants and equipment which are seldom sold in the ordinary course of business. There is also the problem of farm lands situated adjacent to developing communities and industries. I believe we can define "actual cash value" so as to exclude speculative market values. We may also want to provide that upon the sale of property at a price higher than the value listed on the tax rolls, the owner shall be liable for addition-
al taxes based on the average value between the value used for taxation and the actual sales price. This liability would extend back for five years immediately preceding the sale.

The evidence in the Russe case showed that the Tax Commission was in the words of the court "doing very little in order to achieve uniformity and thereby equality in the assessment of property throughout the state" and "that very few of the assessors throughout the state make periodic evaluations of property within their respective parishes."

The judicial conclusion of the court was as follows: "In summation, the Court is of the opinion that the evidence demonstrates conclusively that there is a complete lack of uniformity and equality between assessment not only within the parishes of the state, but also inequity in assessments between parishes."

The pertinent part of the judgment in the Russe case is as follows:

"IT IS ORDERED, ADJUDGED AND DECREED that there be judgment herein in favor of Victor Russe, et al., and against the defendants, Blanche N. Long, James R. Lewke and Leo J. Theriot, Members of and the Louisiana Tax Commission, decreeing that: 1) The present system of administering the ad valorem property tax laws of Louisiana violates the uniformity clause in Section 1 of Article X of the Louisiana Constitution, the due process clauses of the Fourteenth Amendment to the United States Constitution and Section 2 of Article 1 of the Louisiana Constitution, and the equal protection clause of the Fourteenth Amendment to the United States Constitution; 2) The Louisiana Tax Commission shall forthwith, and from approving any assessment rolls pursuant to R.S. 47:1991, without ascertaining that all taxable property is listed at actual cash value, corrrecting with all tax rolls which will be substituted after January 1, 1975; 3) The Louisiana Tax Commission shall immediately, through the exercise of its own powers and authority, take all appropriate steps to comply with Louisiana law affecting property assessments, specifically as they relate to the valuing of all taxable property at actual cash value; 4) The Louisiana Tax Commission shall immediately, through the exercise of its own powers and authority, take all appropriate steps to secure uniformity and equalization in the assessment of all taxable property in the State of Louisiana; 5) The Louisiana Tax Commission shall immediately devise a plan and submit the same in the form of an order and directive to various parish assessors, and all other persons under the supervision of the Tax Commission, which plan shall establish a method for achieving equality and uniformity of taxable property within their respective parishes, and shall establish actual cash value as a criteria for evaluation of all taxable property in the parish; 6) The Louisiana Tax Commission is granted until January 1, 1975, in which to fully implement the provisions of this decree."

It does not appear that the legislature or this Convention can escape the "uniform and equal" mandate of the Russe decision by enacting new or repealing existing statutes or state constitutional provisions which pertain to property taxes. The Court decision was not based on statutes or state constitutional provisions but rather on Federal Constitution. One might ask if the state is yet in "the property tax business" although the state does not levy a property tax. The Court recognized that local governmental units derive their taxing power from the State and that whenever the State grants to local governmental units the power to tax, the legislative authority for taxation must insure uniformity in the method of valuing property. The rationale of the decision was expressed by the Court thus:

"However, the Court is of the opinion that a stronger foundation for equalization may be laid on the basis of basic constitutional principles. For it is clear that a systematic irregularity of assessment of property of the same class is an unconstitutional discrimination against one who is compelled by such a system to pay more than his fair share of the aggregate tax. It is not important whether this irregularity is caused by the statute itself or merely its administration."

Section I, Article X of the Louisiana Constitution and the Equal Protection and Due Process Clauses of the Federal Constitution have been interpreted to require uniformity in the method of valuing property for taxation purposes."

For the Committees convenience we also quote Section 1, Article X of the Louisiana Constitution.

"The power of taxation shall be vested in the Legislature; shall never be surrendered, suspended or contracted away; and all taxes shall be uniform upon the same class of subjects throughout the territorial limits of the authority levying the tax, and shall be levied and collected for public purposes only."

Thus it is readily apparent that contrary to some opinions, the State is indeed in the "property tax business" and the repeal of the State's 3 3/4 mill tax has had no effect on the State's obligation to insure uniformity of valuation whether the tax is state-wide or only local.

In other words the state may not leave the matter of property valuations to the sole discretion of the assessors who are ministerial officers and can not exercise power of a legislative nature. In this respect the Court said:

"In addition, a statute which fails to provide clearly ascertainable and well defined standards to guide the ministerial officers charged by law with its implementation and administration creates an unwarranted and void delegation of legislative power."

The attached article by that state's Commissioner in charge of the program.

III. Recommended Constitutional Measures

A. The following provisions may be placed in the Constitution by this Convention or by separate provisions through the legislature. We must note however the January 1, 1975 deadline in the court order. There is no general election this fall so the 1973 fiscal session can not proposed constitutional amendments. I suggest that this Convention place nothing in the Constitution which would be contrary to the Russe decision.

1) Recognize actual cash value as the standard for valuation of all taxable property.
   a. All fifty states utilize "cash value" or "market value" as the standard.
   b. This standard has been in our state constitution for approximately 75 years.
   c. No other suitable standard has been proposed and without some standard in our law, the whole system would be unconstitutional.
   d. Most taxpayers have an accurate idea of the market value of their property as well as other property in that locality.

2) Provide for a mandatory roll-back of millage and limit on the amount of property cases generated.
   a. Whether done through this convention or a legislative session, this roll-back should be in the constitution because there are some constitutional references to millages, and placing such a provision to the constitution would be a secure method of preventing tax increases.
   b. This amendment would provide that in the first and subsequent years in which equalization is implemented, each taxing body would be limited to the amount of revenues produced by a given tax under the current system except for: 1) increased millages approved by voters; 2) increased millages approved by taxing bodies with authority under the present law to increase millages by resolution or ordinance after public hearing; 3) additional taxable property being added to the tax rolls; and 4) routine appreciation of property values through the years.
   c. This amendment would also include a mandatory roll-back of
milles. To accomplish this each taxing authority would divide the aggregate cash value of all taxable property in its jurisdiction into the amount of revenues produced by a given tax in 1973. The result would be the new millage for 1974 and subsequent years unless increased as in the prior paragraph. The percentage reduction of this millage would also be applied to maximum limits of authorized mills in those jurisdictions not utilizing their fully authorized millage. This would assure pro-rated reduction of mills actually being used as well as the maximum number of legally authorized mills.

3) Increase the homestead exemption.

a. The average state-wide valuation at present is approximately 20% of value. Under the actual cash value standard, all taxable property, including residential, would be increased about five times. In order to assure the homeowner the equivalent value of his present $7,000 exemption, the exemption would also have to be increased five times ($35,000) under the new system.

b. There is some concern for homeowners with fixed low income. I suggest increasing the homestead exemption to $20,000 for couples whose total spendable income did not exceed $6,000 for the immediately preceding year and single persons whose total spendable income did not exceed $3,000 for the immediately preceding year.

4) Amend Article X, Section 2 of the Louisiana Constitution to provide for appointment of members of the Tax Commission by the Governor from a panel of names submitted by the Louisiana Municipal Association, the Louisiana Police Jury Association and the Louisiana School Boards Association.

a. Some assessors exercise policy decisions in unrealistically and systematically depressing the tax base within their parishes thereby resulting in diminished local revenues. This in turn causes the local governmental bodies to lose their independence and be dependent upon the state to an excessive degree.

b. This new suggested method of appointment would give to the three principal local taxing authorities a voice in assuring that the Tax Commission properly supervises the system.

IV. Recommended Statutory Measures or Legislative Resolutions

1) Amend R.S. 47:1989 to delete the authority of the local governmental units to select the percentage of actual cash value upon their respective millages apply.

a) Under the present law, a school board, a police jury, a municipality, a levee district, an ambulance district, a sewer district, and all other local taxing units may by simple resolution or ordinance fix the percentage of cash value to be used for application of the given millage.

b) Although this authority has seldom if ever been exercised, it does mean that these local governmental units can, without a vote of the people, increase or lower the actual taxes to be paid by the public. Such authority is probably an unconstitutional delegation of taxing power, especially for those local governmental units whose members are appointed to office.

c) The average member of the public is confused by application of a percentage factor, but all would understand the simple formula: cash value times mills equals dollars. The reduction of mills would replace the percentage factor.

d) To achieve confidence in our property tax system we must insure that the public has a direct voice in the amount of taxes collected. Under the foregoing proposal, there would be only two variables: actual cash value which must be the best judgment of assessors as reviewed by the Tax Commission and the number of mills which voters will have to approve or disapprove.

2) Organize and fund the Tax Commission so as to effectively supervise the seventy (70) assessors in the state in order to assure uniform valuation of all property. To accomplish uniform valuation, it is suggested that the Tax Commission should:

a) Formulate a plan for uniform valuation of all property in the state;

b) Revise and update the present manual entitled "The Louisiana Property Assessment Manual for Assessing Officials" and issue appropriate instructions to the assessors concerning the use of the manual;

c) Plan workshops for the seventy (70) assessors at convenient locations throughout the state; and

d) Increase the size of the property tax field staff of the Tax Commission to assist the assessors both in initial valuations by the assessors and in review valuations by the Commission.

3) Publish the actual cash value of all taxable property in local newspapers and list it on the taxpayer's bill also. This would substantially increase the citizen-taxpayer's understanding of how the system works. Such publications would also serve as an additional check against improper valuations of taxable property.

4) Assure that the mandatory roll-back of millage will be accomplished by providing that revenue sharing funds would not be paid by the State Treasurer to the parishes until the Tax Commission has certified that the mandatory roll-back of millage has in fact been carried out mathematically.

a) This would eliminate the public's fear that local taxing bodies may not reduce their millages and assure the taxpayers that a given tax would not produce more tax dollars than it did under the old system.

b) Within the aggregate tax, the burden of the tax would be automatically adjusted so as to require all taxpayers to pay their fair and proportionate share of the total tax. Some taxpayers now paying less than their share now would be required to pay more, and others now paying more than their share now would be required to pay less. This of course is the goal of tax uniformity -- equal treatment.
CONCLUSION

If confusion and chaos are the end result of the Bosbie Decision, it will be because we as elected officials have failed to understand the mandate for fairness in property taxation and to responsibly discharge our duties. Understandably for those who have taken almost intransigent positions against uniformity in valuations, the change will be difficult. There is however the best interest of the whole state which must come ahead of political preferences of individuals. I suggest that now is the time to begin planning a responsible program which will assure fair treatment to all taxpayers and avoid an accidental increase in property taxes.

EXPEDIENT IN DEMOCRACY

(The Administrator's Response to Full Value Assessment by J. E. Luckett, Kentucky Commissioner of Revenue, for delivery September 27, 1986, at the National Tax Association Conference, Denver, Colorado.)

This is about Kentucky—about property, about the state and the local governments; about a recent experiment in democracy; about conflict between law and practice; about an abrupt uprooting of long established tax traditions and customs; about taxpayer anxiety, fear, uncertainty; about a search for justice by the people, by judge, by a governor, by lawmakers, and by administrators.

The story begins June 5, 1985. On that date, the Kentucky Court of Appeals, in the case of Milton E. Hustman, et al. v. James E. Luckett, et al., ordered all taxable property to be assessed at fair cash value, effective January 1, 1986:

'This landmark decision set in motion a train of actions, state and local, designed to achieve compliance. The decision was not too surprising, but the effective date was, as the Department of Revenue had asked for at least two years in which to accomplish the objective in an orderly, efficient and acceptable manner. At the time, few thought such a monumental job could be done, administratively; few thought the results would be acceptable, politically.

Four questions may be asked: (1) How did the administrator respond? (2) Did the job—assessment at fair cash value—get done? (3) Are the end results acceptable to the court, to taxing jurisdictions; the taxing public? (4) What have we learned—what meaning does this experience have for us, and possibly for others?

In what follows, I shall answer these questions. But first, and by way of introduction, let me offer a few factual benchmark marks that may put the Kentucky situation into better perspective.

Kentucky Property Tax System

The Constitution of 1891 provided for a general property tax but authorized the legislature to determine rates, except in the case of counties and cities, for which rate limits were fixed. An amendment in 1914 authorized classification by rate. The assessment process starts with a locally elected county tax commissioner (120 counties) who acts under the general supervision of and is paid by the Department of Revenue. I don't need to go into detail about the problems this dualism in authority has created.

Section 172 of the Constitution reads:

All property, not exempt from taxation by this Constitution, shall be assessed for taxation at its fair cash value, estimated at the price it would bring at a fair voluntary sale, and any officer, or other person, authorized to assess values for taxation, who shall omit any willful error in the performance of his duty, shall be deemed guilty of misfeasance, and upon conviction thereof shall forfeit his office, and be otherwise punished as may be provided by law.

Although the Constitution called for assessment of property at fair cash value, which is interpreted by the Court and the General Assembly to mean market value, or full value, the undeniable facts are that heretofore no assessing officer has sought to attain such an objective.

In a University of Kentucky publication a decade ago, John Shannon (formerly a Department of Revenue staff member, presently with the Advisory Commission on Intergovernmental Relations) pointed out the conflict between law and practice, stating:

Notwithstanding the unimpeachable language of this constitutional provision, which demands market value assessment and imposes forfeiture of office for noncompliance, this directive has been flagrantly violated by the time-honored and pervasive administrative custom of fractional valuation.

There are some who believe that the Court of Appeals unwittingly may have prolonged the conflict by its decision in 1918 in the case of Eminence Distillery Company v. Henry County Board of Supervisors, et al. The court held, that in effect, the uniformity provision, Section 172 of the Constitution, took precedence over Section 172 providing for assessment at fair cash value.

At any rate, the assessors seem to have adopted the view—why strain to get the value when only uniformity is required? Meanwhile, as market values climbed, assessment levels dropped accordingly.

Over a period of years, there were a few attempts at state equalization of the assessments made by the county tax commissioners, at average prevailing state levels which courses ever lower.

After an attempt in 1979 to achieve statewide equalization at a 34 per cent level proved abortive and politically unacceptable, the Department of Revenue abandoned efforts at intercounty and interclass equalization.

The effect of a declining local level on state assessed property, which includes public service companies and distilled spirits in storage, was to force these assessments steadily downward, reluctantly on the department's part. This came to a head in 1995, when the Court of Appeals, in James E. Luckett v. Tennessee Gas Transmission Company, directed the department to equalize the assessment of public service property with other property.

The problems created by the fractional value system are well summarized in the Annual Report of the Department of Revenue for 1992. They are as follows:

1. The practice of fractional valuation stands in flat contradiction to the constitutional intent that property is to be assessed at market value.

2. Low assessments undermine the financial integrity of local government and school districts.

3. Fractional valuation places assessment officials in a position to assure the tax and budget policy responsibilities of local legislative bodies.

4. Nonuniform fractional valuation confuses taxpayers and severely aggravates the problem of intra and intercounty equalization of assessments.

5. Impracticable understatement has rendered efforts to distribute state equalization grants inequitable to needy school districts.

It is of interest to note that beginning in 1994 the state did invoke the full value principle for distribution of state aid for schools. To receive a full share of aid, the school required each local school district to make a tax effort measured by the percentage relationship of its equalized value of property to the total equalized value of property in the state subject to full school rates.

Accordingly, the Department of Revenue used statistical estimates of full value, based upon annual studies of sales and other information, for local tax effort equalization.

By 1995, the progressive deterioration of assessment levels in most counties, accompanied by growing intraclass, interclass, and intercounty inequalities, placed increasing pressure on local revenues because of constitutional and statutory rate limitations. This deterioration in turn continued the pressure on state assessed property. The combined effects, plus the inevitable public demands for increased school funds, spelled trouble.

The statewide ratio for real estate had dropped to about 27 per cent with ranges among the counties between roughly 10 and 35 per cent. The inequality...
between farm property and other classes widened. And within the counties Individual
assessments ranged from almost zero to 50 per cent and higher. One may wonder why it
took the Court until 1965 to order such a derivative solution to the conflict between
law and practice. Let us go to the Russian decision. The Court said:

Defendants next contend this court has in effect nullified Section 170 and the implementing statutes by substituting the text of "uniformly" in place of "fair cash value".333-150 and
...this court has in effect nullified Section 170....

As a matter of fact, it has consistently recognized that the Constitution and the statutes require, but until now has never had presented to it the kind of proceeding in
which those provisions administered would be enforced.

In its conclusion, the Court of Appeals directed the lower court to enter a
judgment.

1. Declaring that section 170 of the Kentucky Constitution and the statutory law implementing that section require all property in Kentucky (not exempted by the Constitution) to be assessed for
the purposes of its fair cash value and that this section of the Constitution and the statutory law implementing it are valid, subsisting and binding upon all public officials;
2. directing the defendant Commissioner of Revenue to advise and instruct all county tax commissioners of their assessment duties under the Constitution and the statutes of this Commonwealth;
3. directing defendant Commissioner of Revenue to inform and advise all county tax commissioners of the substance and effect of this opinion, and their duties thereunder;
4. directing the defendant Commissioner of Revenue to take appropriate steps to comply with his duties under KRS 133-150 and other applicable statutes affecting property assessment;
5. retaining this case on the docket for the entry of such further orders as may be necessary and proper.

With this as a background, let me go back to the questions posed at the
beginning.

1. How did the administrator respond?

The Court order was so direct, so sweeping, so unequivocal that the first thing
the administrator under the gun did was to take a deep breath. There was soul searching by assessing officials, in fact by all officials, and by property owners as well. What could be done--how to do it? What would happen to taxes--
would they go sky high? Blame the court, governor, anybody in authority:

The objective was clear enough--attain full value. The bottleneck--time. The
administrative problem--technique. On first blush, the solution seemed simple.

Apparent the Court thought so too. Assessment ratios had been computed annually
for real estate and important classes of tangible property. Therefore, apply the
ratios of the ratio, as a multiplier, to the assessment of each taxpayer and,
trivia, there is full value. Why not? Multipliers had been used on each property class in each school district to arrive at an equalized tax effort for school aid
distribution. But that was different. Applying a multiplier to the assessment of
property is one thing; applying a multiplier to the assessment of each
property is something else. The inequality problem will not go away.

In large counties, where there is a large number of sales, representative of
the class, and where evidence of value--stated consideration in a few cases, but
not on federal tax stamps--are accurate, there is not too much difficulty in
reducing the average level. However, in many counties, there are few representa-
tion sales that may be used as arm's length transactions, and federal stamping
practice is not uniform by any means.

One of the first things that had to be done was to fashion the best temporary
procedure that could be used to measure approximate prevailing levels. At the time
of the Court decision, June 1965, the latest assessment-sales ratio data available
were for 1964. The study of 1965 sales was given high priority.

One of the serious administrative problems was how to get organized quickly
and move to coordinate effectively with the 120 county tax commissioners on the
firing line. The department moved on three fronts: (1) prepared technical
bulletins and instructions for local use; (2) planned workshops for the county

2. What did the job entail?

With a few exceptions, particularly metropolitan areas, the county tax commis-
sioners completed preparation of the new assessment rolls by May. Then came review

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action by the County Boards of Supervisors on protests locally. The record shows 2979 cases were appealed to the local boards out of some 400,000 real estate assessments, or less than two per cent. In two counties there was not a single

local appeal.

By June, review action was finished in most counties. A total of 791 assessments were appealed from local boards to the Kentucky Board of Tax Appeals (an independent quasi-judicial state appeal board). Of these, 297 were by property owners and 494 by county tax commissioner. (Many of these have not yet been decided.)

The recomputations, the summary of the assessments, then started coming to the department—for state approval or equalization action.

As.

Local job was done, but how well? The department's task was to find out.

In fact, it had started finding out while the assessment was in process as early as January. The field staff had taken successive samples of assessments, which were carefully analyzed. If the evidence indicated the target was being missed, the county tax commissioner was immediately notified and instructed how to correct the situation. Therefore, the department had a fair idea of what to expect in most counties.

This set the stage for intensive evaluation of all available evidence on which to base equalization action. This was the critical stage, one which presented a public relations problem of no small magnitude.

Should the department hold up announcements of its action until all cases were decided, whether approved or not? Clearly it would be unfair to wait until all actions were reached. This would seriously delay the rate making and tax billing process which was already in a time squeeze. Therefore, the department started a policy of gradual announcement of results of action, both for counties approved and for counties requiring equalization action.

This left the question of how to break the news to counties which did not measure up to the standard. There was much suspense everywhere. How cushion the news of an equalization notice?

The department adopted a policy designed to inform the key local officials first on a private and informal basis. Members of the property tax staff conducted such conferences, explaining the facts and why the department had to take action. This practice proved to be very effective. First, the county judge, who is the chief county officer, knew about his problem before he received the official notice or read it in the newspapers. Second, he had time to review the situation with people in terms of the facts rather than emotions.

With but few exceptions, this practice led to a meeting of minds and harmonization of state-local interests when smoothed the way for hearings and final action.

To get 95 with the action program. A few statistical highlights will give an idea of how well the county tax commissioners did the job at the local level, which is where the individual inequalities must be hammered out.

Of the record shown, according to the department's best judgment, that 95 out of the 120 counties achieved the court-ordered standard or came as close as that assessment at this time was unwarranted. Equalization action was deemed necessary on the remaining 20 counties. There was an intensive evaluation of the assessment record of each problem county and a determination was made of the required percentage increase necessary to meet the standard for each class of real property. The required percentage increases ranged from ten per cent to 35 per cent. No equalization action was deemed necessary on tangible assessed property.

Of the 24 counties involved in state equalization, three raises were rescinded; three raises were reduced slightly; and two counties appealed the department's final ruling to the Kentucky Board of Tax Appeals. (Hearings on the two appeals are set for October 6, 1966.)

It should be noted perhaps that six counties did not show up for schedules or mental hearings.

Another kind of statistic sheds light on performance. The value of real estate assessed locally, as of January 1, 1966, compared with January 1, 1966, shows:

<table>
<thead>
<tr>
<th>Class of Real Estate</th>
<th>1-1-65 Millions</th>
<th>1-1-66 Millions</th>
<th>1966 over 1965</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential</td>
<td>1,289</td>
<td>1,617</td>
<td>36.7%</td>
</tr>
<tr>
<td>Farm - Arable</td>
<td>755</td>
<td>1,777</td>
<td>1372.3%</td>
</tr>
<tr>
<td>Commercial - Industrial</td>
<td>625</td>
<td>374</td>
<td>-40.6%</td>
</tr>
<tr>
<td>Mill, Mineral Rights, etc.</td>
<td>1,187</td>
<td>1,611</td>
<td>35.7%</td>
</tr>
</tbody>
</table>

Possibly some $500 millions could be attributed to normal growth. Only $27.5 million, or slightly over one per cent, could be attributed to state equalization.

In the balance was due to county tax commissioner action. Therefore, the

commissioners' record seems impressive. There were counties where the

state assessment jumped from seven to ten times that of 1963. That takes

some doing, in any county, in any state.

Again, consider the aggregate change. Residential property increased nearly three and one half times, farm property nearly five times, commercial over three times, mineral rights, etc., nearly two and one half times. This gives some idea of the equalization among classes. Did the job get done? The record is the best evidence that the answer is yes.

The most impressive result, however, was not the overall dollar increase, but the undeniable gain in assessment equity among individuals and classes of property. The purpose of equalization is to achieve equity.

We will be eagerly awaiting the results of the 1968 sales analyses to tell us how close we came to the mark. Since the Census of Governments is using 1966 one of its periodic nationwide surveys, the results will provide an additional assessment check.

Equalization of locally assessed property at full value solves the equalization problem for public service companies and other state assessed property.

This does not mean we have found a perfect solution to valuation of these types of property. In arriving at the 1966 assessment, the department's standard was fair cash value using the methods of valuation previously employed. However, the department is reexamining its methods, giving particular emphasis to the interest capitalization problem. The objective is to use a sound method of valuation that will be fair to the companies within a class, and between classes, and fair to the

low man on the third question.

Is equalization acceptable?

It is time we once more return to the time of the court decision to analyze the public pulse.

First reaction was shock. This turned to anxiety, to fear, to panic.

In the millions and come. Schools would have all the money they wanted with a dollar, a hundred dollars, or even higher, assessment base.

With the raised rate structure in effect, taxpayers were alarmed at the prospect of a large increase in tax burden (as a matter of fact, Kentucky property taxes are relatively low). The alarm became widespread that the governor, and others, urged officials responsible for local rate making to make public statements of their intention to lower rates to acceptable levels. Many local officials responded.

This helped, but the taxpayer reaction grew in such proportions that the

governor decided to take direct action. He called the General Assembly into Special Session, August 29, 1965 (adjournment September 17. 1966) for the purpose of reducing rates, although this might have been left to the Regular session early in 1966.

In the request of the governor, the Department of Revenue prepared what is now

known as House Bill No. 1. This Bill provided for:
1. reduction of fixed state rates on real and tangible personally to offset the increase in assessment to fair cash value; 
2. roll-back of school, county and city property tax revenue to the 1965 level, except for revenue from new property; 
3. permissive increases of school, county, and city tax levies of not more than ten percent, for each of the next two years, after public hearing.

State tax rates were reduced on real estate from five cents per $100 assessed value to one and one half cents; on tangible property from 50¢ to 59¢; on farm machinery and livestock from 50¢ to one-tenth of one cent, or virtual exemption.

The reason for the permissive increases in local revenue was that many school counties and other jurisdictions faced financial crises. If a jurisdiction wished to avail itself of the opportunity for more revenue under this provision, it

1. hearing not to be held to inform the taxpayers and to put taxpayer views. 
2. permissive increases were limited to general levies, not to voted levies. 
3. As a result of this legislation, public fears were raised and the department was able to go ahead with the program of technical assistance to help county tax assessors get ready for the big job of revaluation.

Looking back on the legislative action, it is sure the Special Session was hastily, otherwise the continual public clamor might have completely disrupted the assessment process for 1966. Waiting for the 1966 Regular Session might have been too late.

One important problem remained to be dealt with in the Regular Session in 1966. This was the impending shift in tax burden among classes of taxpayers, for example, the shift from "utilities" to other property owners. These would be more significant in some taxing jurisdictions than in others.

The legislative solution to the "utility" shift required a tax rate on public service company property which would produce in 1966 and 1967 at least as much revenue as was produced in 1963. The result of this action was that no drastic "utility" shift in burden would happen in the transition to full value equalization.

This means there will be two rates for most jurisdictions, one for locally assessed property and a higher one for "utilities." In these jurisdictions, the permissive ten per cent increases in total property tax revenue will be borne by owners of other property until their rate equals that for "utility" property. Thus the differential rate gap should be closed after the two years' transition.

It may be of interest to examine the actual rate changes that resulted from full value assessment. An appended statement shows examples of the new rates for locally assessed real estate for counties which have filed rates with the State Tax Commissioner.

Is the full value program generally acceptable? The signs point positively. How about for acceptability? Chiefly, because the people are now coming to

1. tax. Since the tax roll is a public record, open for public inspection, full value assessment is a simple and effective vehicle to assure tax justice.

That the property owner can make an intelligent comparison of his assessment with that of his neighbors.

What have we learned?

Looking back over the long, winding road travelled, we sometimes wonder how Kentucky reached the objective. We are not alone—others have, too.

Kentuckians have had a rewarding experience, a revolutionary experience seldom realized in such a short span of time. It is not easy to uproot tradition from one set of a state to the other; not easy for a million persons to adjust to new ideas about their property; not easy for all taxing jurisdictions to reorganize their property and financial machinery.

It is only a few loose ends to be pulled together. However, at this point, the basic questions have been dealt with and, in my judgment, only "periodic" ones remain.

What have we learned from this experience? We have learned much, certainly all of it. We have learned, in the Department of Revenue. And this can undoubtedly be said for the county tax commissioners and their employees; for the local boards of supervisors; for county judges and their fiscal courts which had the right to protest state equalization actions; and for countless other officials and agencies of government, state and local.

What can be said, it took a lot of doing. The doors were many, too numerous to count. The questions were wide and varied. The answers were many, too. Every property owner and citizen of Kentucky may take credit for what was accomplished with this truly an experiment in getting citizens, and officials in towns and cities, villages, and hamlets, to work together for the common good.

The property tax staff of the department put forth a monumental and superb effort beyond any expectations. They were ably assisted by many others in the

1. in its leadership, planning, organization, coordination, action, cooperation, and vast amounts of patient effort—these are among things we learned.

And if it had to be done over, undoubtedly many things could be done better. The department had no blueprint, it had to start from scratch. Imperfections are the result. Yes. These are inseparable in an undertaking of such magnitude.

2. the imperfections that show up can be much more easily corrected now that there is a firm standard and know-how in achieving it.

3. have learned that most property owners are reasonable when given the facts and opportunity to think them through. Full value assessment succeeded because it

4. close to them. What was done was a remarkable tribute to the average citizen's

5. this is true democracy at its best.

6. have learned that a full value program is not for the timid, politically.

7. have learned that "what took most, most than quick" also applies to full value program. It was probably a wise decision on the part of the courts—

8. and I think so at the time—to order the job done immediately, that

9. assessment period! If more time had been given, stirred out over a 17 years, it is doubtful if a better job would have resulted. There would have been a tendency to put off decisions and stultify the whole effort through dilution and uncertainty. Machiavelii was right—cut off the dog's tail all at a little piece at a time.

10. have learned something, too. They are beginning to show the real

11. some beginning when the first new county rate was announced a few weeks ago, taxpayers heard a sign of relief. The former 50¢ rate had dropped to 9.5¢.

12. the legislative program to reduce tax rates is

13. the result that they have more confidence in government

14. the property tax has new meaning for them. The assessed value there is a real rate. Many have told me that now the

15. the property tax is unreasonable.

16. county tax commissioners have learned that they are no longer the budget

17. the fractional assessment—maximum rate system. The county tax

18. is a different way to be relieved of this pressure and can get on with the

19. we learned that adversity and fear can build up quickly. And when such

20. instances become widespread, decisive action must be taken. More

21. are not enough. In the Kentucky situation, the fear of

22. property taxes—psychological rather than real—prompted an

23. decisive action.

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Commerce and Industry is among the few state agencies that can claim it generates both revenue and additional taxes for Louisiana.

Today, in Louisiana, business and industry pay more than 75 percent of all state and local property taxes. Moreover, business and industry presently are paying about 55 percent of all state and local taxes, excluding sales tax. These two groups pay taxes at this ratio even with the tax exemption figured in. In terms of actual dollars, Louisiana business and industry pay the ninth highest total in the nation.

Over the past 10 years in Louisiana, industry alone has spent more than $26.9 billion in sales and use taxes. Now industry alone has, during this same period, paid more than $2.5 billion to its permanent workers and in excess of $2.5 billion to construction workers. These workers pay sales tax, income tax, property tax and a multitude of other state and local taxes -- adding to the state's revenue and tax base.

I think it incumbent on me to point out, too, that this is new money on which the multiplier effect can be placed. I am told that new money in a community turns over at least seven times; and taxes are paid on it all seven times.

It is proper, too, at this time to point out that a good portion of this new money may not have come to Louisiana had we not had the tax exemption law. Industrialists find it pretty hard to justify a tax burden of 75 percent when the national average is 39.5 percent.

The only thing that keeps Louisiana in the race for new industry is the tax exemption law.

Then, too, cost of the tax exemptions, usually about two-thirds, are concentrated in the 11 or 12 Mississippi River Parishes and Calcasieu Parish. I have worked up a chart on this and attached it to my statement.

Also I have attached a report by P.A.M. that gives an example of the taxes paid by a $50 million plant. This plant during the first 10 years pays nearly twice as much in taxes as it receives in tax exemptions, and this doesn't include payrolls.

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**TESTIMONY TO THE REVENUE, FINANCE AND TAXATION COMMITTEE OF THE 1973 CONSTITUTIONAL CONVENTION**

**BY RUSKI WOLBERTTE II EXECUTIVE VICE PRESIDENT LOUISIANA CHEMICAL ASSOCIATION**

Gentlemen:

I am here today representing a type of citizen in this state, namely, the corporate citizen. I am employed by the Louisiana Chemical Association to represent some 50 corporate citizens whose 60 plants in this state represent a tremendous capital investment, whose payrolls and purchases inject hundreds of millions of dollars into the economic bloodstream of this state, and who pay large amounts of state and local taxes.

Yet, we are a unique type of citizen. We do not have a vote. Taxes may be imposed upon us by a legislature, and we as corporate citizens do not have the opportunity to cast a vote for or against a legislator or a candidate for the legislature; bond elections can be called in local areas, and although we will pay substantial amounts toward retirement of the bonds, we have no vote in the election.

Because of lack of representation at the polls, corporate citizens are subject to the same governmental relations and obligations. They are not unlike other groups in wanting to secure the relative legal rights of constitutional protection. This in no way implies that the corporate citizens I represent have any distrust of the legislature; on the contrary, they recognize that any provision made in this constitution which relates to them is there only because two-thirds of the members of the legislature agreed to put it there and the legislator's judgment was confirmed by those citizens permitted to vote.

Any time the basic document of a state is being rewritten there will be differences of opinion as to what should go, what remains and in what form the material that remains should take.

One such difference is in the administration of ad valorem tax laws in Louisiana and the validity of certain exemptions that presently are hedged in the constitution.

First, let me address myself to the question of equalization. Industry is being accused by some of having engaged in a giant conspiracy to switch property taxes from business and industry to the homeowner. I can only say that Vic Buskie, President of the state AFL-CIO, would be the most surprised man in Louisiana to find out that the suit he filed was really on behalf of the business and industry interests in this state and against the very people he represents.

I can flatly state that there is no conspiracy between Mr. Buskie and the corporate citizens I represent in the matter of equalization of property taxation or anything else.

Further, many of you may remember that in 1966, there was a Governor's Advisory Committee to the Louisiana Tax Commission. That committee made a study and recommended a five-year plan to accomplish equalization of property taxation.

With the exception of the assessors, I was perhaps the most vocal opponent of that particular plan. On April 6, 1966, I spoke at the AFL-CIO convention. What did I criticize in that plan?

1) There was no definition anywhere in our laws of what actual cash value was nor any formula telling how to determine it.

2) That there was no provision under state law requiring any downward adjustment of operating millages to accompany an upward shifting in assessed valuation.

3) That the laws creating the Tax Commission and giving it authority to finally determine valuation somehow specifies any qualifications for members of that commission, even though we do have qualification requirements in Louisiana for doctors, lawyers, accountants, architects, nurses, barbers, radio and TV repairmen, dentists, school teachers, river pilots and cosmetologists.

-3-

But gentlemen, all that is beside the point. A court of law has acted. It has said that our present system of property tax administration is in operation in the manner prescribed by law and, subject to a reversal by a higher court, or statutory or constitutional changes, the question is now moot.

Let us move to Article X, Section 4. As you are well aware, there are 18 subsections, each providing some type of tax exemption. My purpose today is to discuss one of those subsections, No. 10, which is entitled "New Manufacturing Establishments".

Article X, Section 4 (10) is a permissive section of the constitution. In it, the State Board of Commerce & Industry has been granted permission to enter into contracts for a partial ad valorem tax exemption -- with the approval of the governor -- with any new manufacturing establishment or an existing one.
that makes an additlor. The terms and conditions of the contract, which must be set by the Board and have the governor’s approval, must reflect what the Board "may deem to be the best interest of the state".

We have had seven different governors since the enactment of this Article and I know of no effort by any of them to repeal this Article.

This Article is an inducement. It says we want you to locate your plant or your industry in Louisiana. We want the jobs you will provide, jobs both within your plants and in the service industries needed to supply your needs. We want these payrolls. We want those taxes. We don’t want ether our resources or our people to be lost to us forever because we cannot provide them opportunities for development here.

I think that the people of this state still want jobs, still want payrolls, still want a better life. And as Mr. Smith, of Commerce and Industry has said, "This is the principal sales tool of your Department of Commerce and Industry."

Why is it so important? Why do we need it as a sales tool?

Because we are in competition with every other state in this union and many other countries in the world. They have certain advantages they offer. We have certain we offer.

- -

The plant or industry seeking a new location, feeds all these advantages and disadvantages into a computer, and where the card comes out saying this would be the most profitable spot, that is where they locate.

This sales tool, this partial ad valorem exemption, has, along with other advantages we have had, tipped the balance in our favor to the tune of billions of dollars worth of investments.

Now, we are fast losing a lot of the advantages we have had. The Federal Power Commission is certainly hurting us as far as gas availability is concerned; the Congressional laws of water quality, which says you can only put out the same amount of effluent from a plant in Louisiana as in Maine, certainly destroys an advantage we had -- the immense assimilative capacity of the Mississippi; new regulations by the Coast Guard is taking away a great deal of our transportation advantage.

Gentlemen, now is not the time to remove or change the "principal sales tool" we have.

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Notes for Louis Curte - Attorney for Farm Bureau Federation 3/30/73 - Ad Valorem Subcommittee Hearing

ASSESSMENT OF AGRICULTURAL PROPERTY

I. AGRICULTURE IS IMPORTANT TO THE STATE OF LOUISIANA:

a. Economic Impact

1) Value of agricultural products sold each year - Gross Income - $1,086,000,000.00 (one billion, 86 million)

2) Added Value

By Processing - $1,531,466,000.00

Total agricultural income - $2,618,136,000.00

3) Investment in land, buildings, machinery and equipment - $4,767,000,000.00

b. ENVIRONMENT

Ecology is a big new word in our vocabulary - Green acres purify polluted air through natural action of green plants, transformation process, convert carbon dioxide into oxygen - green acres provide habitat for wildlife. City planners are very conscious of this need and are including open space areas in their plans. London in 1930’s - 20 mile swath of open spaced farm land and forest called the Green Belt - John Gunther in his book said "Even the weather has changed".

3) Water supply - Land in agriculture serves as watershed to collect and conserve water sources of the State. Agriculture conserves more water than it uses. Land is necessary to slow down water runoff, hence reducing floods - also to percolate into ground to replenish underground streams and reservoirs.

II. As Louisiana becomes more urbanized, land becomes too valuable to farm - economic factors demand sale - if farmer can’t earn enough to pay for his farm, he can’t stay in business. We at the point now where farmers can hardly afford to buy property to farm - if he doesn’t already own the land, he cannot go into farming.

Department of Agricultural Economics at L.S.U. has compiled statistics to prove this -

Sugar land - Market Price $750.00

Value of Land based on capitalization of earnings 300.00

Cotton - Market Price 640.00

Value based on earnings 125.00

Rice Market Price 550.00

Value based on earnings 185.00

Soy Market Price 380.00

Value based on earnings 278.00

THE TAX ASSESSMENT STRUCTURE IS CRUCIAL - IF HIS PROPERTY IS ASSESSED AT ACTUAL VALUE, HE CANNOT STAY IN BUSINESS

NOW ASSESSMENTS ARE LOW - COURT HAS DECIDED, ALL MUST BE ASSESSED AT 100% OF VALUE - THIS ONE FACTOR OF PROPERTY TAX MAY DETERMINE WHETHER A FARMER STAYS IN BUSINESS OR NOT

Louis Curte 3/30/73

III. WHAT CAN WE DO ABOUT IT?

Other states have recognized the problem - even urban states like New Jersey adopted constitutional amendments as far back as 1963 - The vote of the people in New Jersey was 2-1 in favor - Mass. 71% in favor, November 1972. As of 1970 Louisiana was one of only four states that had not considered special treatment of agricultural lands. Ala, Ohio, Wyoming and La. Since then Alabama is moving in this direction leaving us with Ohio and Wyoming. - Distribute Literature from other states.

A. We can adopt laws providing that agricultural lands will be assessed according to their use - Common features of laws in other states:

1. Owner must apply for special assessment. (not automatic)

2. He must be bona fide farmer - must derive certain % of earnings from farming (1/3)

3. Land must have been used for agr. purposes for a fixed period to qualify - 2-3 yrs.

4. Area must meet minimum size requirement (5 acres) and minimum dollar production (500 gross sales)

5. Assessment based on production potential formula rather than market value consideration. Farmland Advisory Com. or Special Commission sets up standards for assessment.

Possibilities include:


b. Valuation based on capitalized earnings by crop

6. Roll Back Tax

If property sold or used changed roll back tax - paid for fixed period - 3 years.

IV. JUStIFICATION FOR SPECIAL TREATMENT

A. Necessity - Preservation of lands necessary to provide food and fiber.

B. Quality of Life

Social worker said city people need exposure to open air - see hundreds of people lining ditches on Sat. and Sunday crab fishing - people long for outdoor life.

(2)

Louis Curte 3/30/73

C. Fair Treatment

1. Competition with other states - farm operations are mobile - major crops can be raised in different states
Competition

If farmer has tax advantage to farm in Miss, Ark or Ala he'll do so.

2. Competition within the state. Why should farmers near urban areas be penalized simply because of this proximity to city - Cities need green belts around them.

D. Open land creates no costs - requires no services - Such as sewage, water, schools - yet it is taxed to provide these services for others. Ratio of benefits received to tax payments would be unfavorable.

E. Farmers are price takers, not price makers - They can't pass costs on to consumer. Most non-agricultural producers set price for their goods.

F. Compensation for conservation efforts - He's saving something for the future.

G. Renewable resource - not depletable - should be taxed low - Tax base permanent - will be upgraded thru efforts of farmer.

NOTE: We have a Sugar Cane farmer from WBR who can testify first hand about the need for reform in this area - Kenneth Kahao.

This is vital - time too short --
We would like permission to file a written brief with the committee - offer assistance to work with s. ff.

(3)

Average Market Value of Farm Land by Major Commodity:

<table>
<thead>
<tr>
<th>Commodity</th>
<th>Value per Acre</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cotton</td>
<td>$640</td>
</tr>
<tr>
<td>Sugarcane</td>
<td>$750</td>
</tr>
<tr>
<td>Rice</td>
<td>$350</td>
</tr>
<tr>
<td>Soybeans</td>
<td>$380</td>
</tr>
<tr>
<td>Pasture</td>
<td>$275</td>
</tr>
</tbody>
</table>

* Estimates based on reports by county agents of recent sales.

Estimated Variable, Fixed and Total Costs Per Acre of Sugarcane and Gross and Net Income and Value of at 102

<table>
<thead>
<tr>
<th>Item</th>
<th>Value/Acre</th>
</tr>
</thead>
<tbody>
<tr>
<td>Variable Costs</td>
<td></td>
</tr>
<tr>
<td>Fixed Costs</td>
<td></td>
</tr>
<tr>
<td>Equipment</td>
<td></td>
</tr>
<tr>
<td>Tractors</td>
<td></td>
</tr>
<tr>
<td>Harvester</td>
<td></td>
</tr>
<tr>
<td>Total Fixed Costs</td>
<td></td>
</tr>
<tr>
<td>Total Costs</td>
<td></td>
</tr>
<tr>
<td>Gross Income</td>
<td></td>
</tr>
<tr>
<td>Net Income</td>
<td></td>
</tr>
<tr>
<td>Value of land</td>
<td></td>
</tr>
</tbody>
</table>

2/ Estimated from selected studies and estimates.
3/ Tractors valued at $8,500 - 6 year life.
4/ Harvester $26,000 - 6 year life.
5/ Yield 27.2 tons @ $0.50/ton.

Estimated Variable, Fixed and Total Costs Per Acre of Cotton (solid planted) and Gross and Net Income and Value of at 101

<table>
<thead>
<tr>
<th>Item</th>
<th>Value/Acre</th>
</tr>
</thead>
<tbody>
<tr>
<td>Variable Costs</td>
<td></td>
</tr>
<tr>
<td>Fixed Costs</td>
<td></td>
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<tr>
<td>Equipment</td>
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<tr>
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<td></td>
</tr>
<tr>
<td>Harvester</td>
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</tr>
<tr>
<td>Total Fixed Costs</td>
<td></td>
</tr>
<tr>
<td>Total Costs</td>
<td></td>
</tr>
<tr>
<td>Gross Income</td>
<td></td>
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<tr>
<td>Net Income</td>
<td></td>
</tr>
<tr>
<td>Value of land</td>
<td></td>
</tr>
</tbody>
</table>

3/ Does not include spray equipment, insect control is by air.

Estimated Variable, Fixed and Total Costs Per Acre of Rice and Gross and Net Income and Value of at 102

<table>
<thead>
<tr>
<th>Item</th>
<th>Value Per Acre</th>
</tr>
</thead>
<tbody>
<tr>
<td>Variable Costs</td>
<td></td>
</tr>
<tr>
<td>Fixed Costs</td>
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<tr>
<td>Equipment</td>
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<tr>
<td>Net Income</td>
<td></td>
</tr>
<tr>
<td>Value of land</td>
<td></td>
</tr>
</tbody>
</table>

1/ From Cash Cost Study, 1971 Crop Year by Lloyd A. Carville, Specialist, Farm Management, Cooperative Extension Service
2/ Based on 450 Acres, Combine $23,000 - 6 year life, Tractor $9,500 - 6 year life
3/ Includes fixed costs on machinery only, does not include building or land.
4/ Based on 27 bu. average yield $6.50 green weight value for farmers in Cash Cost Study, 1971 Crop Year by Lloyd A. Carville, Specialist, Farm Management, Cooperative Extension Service

Estimated Variable, Fixed and Total Costs Per Acre of Soybeans (with fertilizer) and Gross and Net Income and Value of at 102

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1/ From 1971 study conducted by county agents and analyzed by Lloyd A. Carville, Specialist, Farm Management.
Much of this article is based on the 1970 Legislative Research Council's "Report Relative to the Assessment of Agricultural Land" dated February 20, 1970. Certain material has been updated. (ed)

opment for dwellings, shopping centers or industry his taxes go far up far in excess of any increase in crop productivity. This tax increase is often the difference between a continuing farm and a farm that is forced to sell out.

The amendment is intended as a tool to help stabilize land use in rural areas.

Background of the amendment

The law now requires that all property must be assessed at fair cash value. In practice this value is based on the "highest and best use" for the property in question. In 1941 and in subsequent decisions the State Supreme Court has held that assessments at less than full cash value are illegal. Thus a common practice of having different valuations for different classes of real estate was upset. To date more than half the cities and towns of the Commonwealth have undertaken revaluation programs and the others will be required to follow. The effect of revaluation on farmland has been almost catastrophic as valuations on operating farms are usually based on prices at which similar farms have been sold for development.

Forest land under management is presently exempted from the rule of fair cash value under Chapter 61 as amended in 1969. Rough or wet lands that are part of a farm acreage may also be exempt from regular assessment under Chapter 61.

The current constitutional amendment was introduced in 1969 and was adopted by the full legislature meeting in joint convention by a vote of 221 to 22. The Legislative Research Council study was submitted in February, 1970. The second vote (as required for amendments to be brought to popular referendum) occurred in June, 1970; it was favorable by a margin of 238 to 14.

Farming in Massachusetts

There are approximately 900,000 acres owned and operated as farmland in the State. This is approximately 18% of the total area. The 6,200 farms now employ some 15,000 people at peak season, and spend over $25 million for hired labor. Moreover, income from agriculture contributes annually $80 million to the State's economy. Of this, $50 million is created through cultivation of the soil. Dairy products are the biggest in dollar volume. Massachusetts cranberries represent more than 50% of the world's production. We are 10th among the states in apples. Middlesex County alone is 10th of the nation's counties in nursery and greenhouse production.

These figures are impressive but so are the figures of the decreasing number of farms and cropland. From 38,000 farms in 1945 there are 6,200 today. Cropland has shrunk from 626,000 acres to 235,000 during this period. Land that is good for crops is also good for buildings, parking lots, golf courses, airports, cemeteries and most types of development. The dollar incentives for farmers to sell out are often very great. When these are combined with externally inflated real estate tax costs the picture becomes even more alarming.

For most of us there is some personal identity with 'down on the farm'. There is the chance to buy fresh corn and other vegetables from the roadside stand. And those mountains of pumpkins and squash before Hallowe'en. The sight and smell of orchards in bloom, of a fresh-cut hayfield, of the rich red cranberry bogs in October, of cows in an early spring pasture cropping the wildflowers. Here are values beyond reckoning in dollars. We take them for granted yet hunger for them when buildings or black-top usurp their place. The fields, pastures and woods of our farms are a part of the rural scene which we value and which is a drawing card to tourists.

Farmland and open space

At last we have come to realize that open space is a valuable resource, that it is often highly useful in its present form, and that it should be considered in terms of the whole life cycle of which man is but a part. Swamps and wetlands are no longer merely convenient places to dump our tons of rub-

LETTER

MARCH 1972

Volume 3 Number 3

THE FARMLAND ASSESSMENT AMENDMENT

The following change to the State Constitution will appear on the ballot next November in the number 1 position for amendments:

Full power and authority are hereby given and granted to the general court to prescribe, for the purpose of developing and conserving agricultural or horticultural lands, that such lands shall be valued, for the purpose of taxation, according to their agricultural or horticultural uses; provided, however, that no parcel of land which is less than five acres in area or which has not been actively devoted to agricultural or horticultural uses for the two years preceding the tax year shall be valued at less than fair market value under this article.

It is hoped that the voters of the Commonwealth will give strong support to this amendment. The following material is offered in support of this position.

What this amendment does and does not do

The amendment authorizes the State Legislature (the "general court") to pass enabling legislation that will require that local assessors value farm lands on the basis of their use as farms rather than on the basis of their "highest and best uses" (including value for development). Until such laws are passed there can be no change in current assessment practices. The effectiveness of this follow-up legislation will be just as important as the adoption of the authorizing amendment.

The amendment will not provide a subsidy to farmers. Farmlands will continue to carry their full share of the costs of the services they require of the community. A farmer depends on his land, as well as his skills and equipment, to grow crops and feed the cattle from which he derives his income. When the value of that land is increased by its potential for develop-

Massachusetts Land League

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fish but are precious reservoirs for the replenishment of fresh water. Salt marshes are more productive in food for fish and shellfish than are most fertile farms in food for man. In Massachusetts we have some protection for these in the Hatch Act, the Inland Wetland, and Coastal Wetland Acts but these are not fully effective at present.

Even with the adoption of the subject amendment and the passage of laws putting it into effect, the pattern of farming is bound to change. Farms are becoming larger and more mechanised. Silos are giving way to trench storage of silage; large cowbarns are being replaced by open housing of cows and milking parlors. But farmers hesitate to make long range investments in more modern and efficient methods when they don't know from year to year when revaluation or 100% assessment may destroy their profit margin. There are enough uncertainties in farming without the threat of being wiped out by revaluation in taxes. When new investment becomes too great a risk farmers start to run down. This would lead to modernisation to take place within a relatively healthy farming industry.

Obviously we should not be 100% preservatistans about open space. There must be provision for the needs of a growing population in terms of buildings and related development. Dwellings and pavement must be placed largely on what is now open land. By relieving farmers of the necessity of selling pre-emptively under the pressure of taxes the dangers of a chaotic land market and of haphazard development will be minimized. Moreover, time will be gained during which planning and coordination for future development may take place.

-1-

The next evolution in our approach to space and building will probably be the realisation that development must be limited to those areas where it will not severely damage natural resources and where the necessary services are already available or can be provided with minimum expense.

Precedents in other states

In 1963 the voters of New Jersey approved, by a vote of two to one, a similar amendment to their constitution. This was followed by a Farmland Assessment Act of 1964. Since that time, the rate of loss of farms has been about 50%. Their farmers are no longer forced to sell their land and can remain in business. To date the few problems of the law have been in administration rather than in the principles involved. These have been of relatively minor importance compared to the results achieved.

The replies from a 1969 questionnaire of the Legislative Research Bureau showed that some form of use-value assessment of farmland is in operation or being considered in the majority of states. In only 4 of the responding states is all property assessed uniformly without consideration of the use-value factor.

A final note on taxes

Taxes are rising and will continue to do so because it costs more to provide the services that people need. In addition, the more people in a city, town, or state the more different types of services are needed. These services must be paid by taxation. In other words, the more people the higher the taxes. The real estate tax has always been the mainstay of local services which include education. This tax is currently under attack on the basis of providing unequal opportunities for education, and it is likely that more reliance will be placed on other taxes such as income, excise and sales -- and probably others to be conjured up. In any event the property tax is due for change, of which the subject amendment is one step.

It has been shown (in the last two LETTERS and elsewhere) that each new house costs the other taxpayers of a community a subsidy of about $750. This impact on many suburban towns in recent years has been almost a financial disaster. If farms are forced into large-scale liquidation and are followed by a scattering of residential development the result will be financial distress in many towns and the virtual extinction of the farming industry and tradition in Massachusetts.

Who determines actual cash value?

Two or more houses can be built in the same square next to each other, one may use weather boards or wood in its structure, the other may use brick and masonry, one could have high ceilings and no air-conditioning, as they would love fresh air, the other may have low ceilings with air-conditioning. One may use glass, metal and possibly gold or silver cover plates over their electrical work and their bath room fixtures, where the other may use plastic or a lessor expensive material, SO WHAT IS ACTUAL CASH VALUE, with the two homes built in the same square or neighborhood? Isn‘t it a fact that two places of property next to and adjoining each other have different values, one has oil under the land, the other has rice growing on the land. Another example, a person who may have had or inherited property, which property was acquired many years ago and which property is in the same status today as it was when first acquired; enjoys the benefit of being wise enough and possibly thrifty enough to have the good Lord bless him with the ability to forever own and keep the land. His neighbor may want to put a like and similar piece of land in commerce, thereby making dollars from his land. What is to decide whether this is good or bad? We are now enjoying a prosperous and inflated economy, it could happen that next year we may be enjoying a deflated or low market, thereby reducing the value of property.

Do we raise and lower the actual cash value of property every year? Just what would happen?

In a recent court ruling the judge ruled the property should be placed on the rolls at actual cash value, we all know that all property is not the same. Actual cash value the way I see it is 100% assessment and 100% assessment means higher taxes. I do know this, industry in the State of Louisiana is enjoying a $6 to seven billion dollar tax relief. I believe that each and every property owner in the State of Louisiana should have their home free from property tax. The reason that I make this statement is that industry has not come into Louisiana because of a tax break, they came to Louisiana because we have the water and other natural resources, climatic conditions and a good labor market.

The money that the State of Louisiana is losing from these big industries enjoying a six to seven billion dollar tax relief in my opinion can more than adequately cover the cost of every home having the benefit of free property tax. Yes, I like industry, I do I support industry and we need industry, but we also need industry to pay its way. Industry is the one who benefits from those educated to our state. It is not to little or to much to be asking that these billions of tax dollars be made available to relieve the home owners and the peoples of this great State of Louisiana from paying property tax, because when we get right down to the facts it is the home owner and the families that rent who are the real life blood of this great state of ours. When we talk about properties being placed on the tax rolls at actual cash value we can‘t get away from taxes, of course when we say taxes, why just single our property tax? Why not group all taxes together and look at a way of revising the whole tax structure. If the people of any parish wants to vote and pay milage for bond indebtedness for services, they should be able to do this. Sure these milages should fall under the homestead exemption program. I do not agree with the court’s decision and those who say
we will not have higher and more taxes if all property is put on the rolls at actual cash value. In any other state, county or parish where the decision has been made that property be placed on the tax rolls at actual cash value, this decision then causes CHAOS and CONFUSION, higher taxes for the property owners, even to the extent of persons losing their property because they could not afford the higher taxes. Yes, the home owner large...medium...small...have suffered while big industry has been tax exempt in the billions...the homeowner large and small are the ones carrying the burden."

This committee should study long and hard, then come up with a recommendation to the CC of 73 whereby the homeowner would be fully protected, study the actual cash value and 100% assessment, then come up with some fair and equitable solutions for all of the people of the state of Louisiana. I do believe that it would only take approximately 35 to 40 million dollars to completely exempt all home property owners in the State of Louisiana.

P.S. BUD MOWEIS, President

SEPTEMBER OF
Norman Moyer, Jr.
President, City National Bank, Baton Rouge
in behalf of
the LOUISIANA BANKERS ASSOCIATION
to the COMMITTEE ON REVENUES, FINANCE & TAXATION
State of Louisiana Constitutional Convention of 1973
Saturday, March 31, 1973
Senate Chambers
State Capitol
Baton Rouge, Louisiana

I am representing the Louisiana Bankers Association, an organization of which I was president some six years ago. I apologize the invitation to be with you and the opportunity to make our comments. We also appreciate the difficulty of the task your committee has.

The bankers association is interested in and in favor of constitutional revision, constitutional reform and constitutional simplification. From the time I have heard while attending this meeting and from what I have heard in just talking with people, you gentlemen are wrestling with the most difficult question of the Convention — the one that is most involved and most contentious — the issue on which the adoption of all this work hinges. There is no doubt in my mind but that the question of ad valorem taxation will be vital in determining how people vote. I believe your job is made more difficult by the rapid change that is taking place, the issue of how you tax that, the decision in State District Court last week on assessments, the changing nature of the Federal decisions as born out by the California case on school board taxation and the recent decision on the case in Texas, which seemed to some extent to reverse the earlier decision in the California case. I think that the problem of change in the nature of taxation points out one thing that is vitally needed in the whole approach to constitutional revision and that is the need for flexibility.

We, as bankers, are probably as regulated as any industry in the State with the possible exception of the public utilities, there is a tremendous amount of not only Federal but also State statutory law and administrative law that applies to the conduct of our business. Yet we are not mentioned in the constitution at all. The only reference I can find on banks in the constitution is Article 4, Section 9, which deals with taxation of out-of-state banks.

I think that the banks in Louisiana have prospered and have grown. They have changed their function and their services and we have been able to have flexibility under the law — flexibility in our operations, even though regulated, and we think this new flexibility can and should be carried over into our constitution. We would like to see a simplified document.

I know that today we are addressing ourselves primarily to the ad valorem taxation problem, and I think that in this area too we need flexibility. Rules of government everywhere, not only in Louisiana, are changing — new needs, greater demands, greater requests for service. This frequently requires more revenue and higher taxation. Ad valorem taxes still remain the primary source of income for our parishes and municipalities. Sales taxes in most areas are about as high as they can go. It would appear that quite a bit of our future increased revenue will therefore come from ad valorem taxes. We would like, then, to see the municipalities and the parishes have more latitude in their millage rates, but, at the same time, with this greater freedom we want to see a broader tax base.

We believe in and want a homestead exemption; we want a meaningful homestead exemption, but we do not want total exemption for all home owners. The homestead exemption of $2,000 is too high if properties are put on the rolls at 5% of value. A homestead exemption of $1,000 would be too low if everything is put on at its true market value. If flexibility is to be given in the taxation rate and if the local governments are going to vote on increasing these taxes, then everybody in the area should feel the impact of the tax. We should not have a narrower and narrower tax base. For example, now the man who rents a home pays ad valorem taxes because the property is on the tax roll and these taxes are as such the cost of renting property as fire insurance or leasing the home or keeping up the roof, and, like all other costs, the ad valorem tax is paid over to the renter and, frequently, the man who has to rent needs economic help more than the home owner.

If we narrow the base and increase the millage, then we are going to impose this increased millage not only upon business but industry too, on a class of individuals, the man who rents his dwelling, to the exclusion of the man who is the home owner. As we become a more mobile society, we tend to have fewer home owners and more home renters. Then people move into a community, frequently rent for a while before they decide upon the area where they would like to live, and young couples rent for a time before they have the wherewithal to start their homes. In unfair impact could fall upon these people. The ultimate course, removing certain wide areas of property from taxation and putting it on only a small few, is irresponsible.

The ad valorem tax is, of course, an expense to business and industry. It can, if raised excessively, become a decisive factor in business or industry location and a deterrent to new enterprises coming into our area. We are interested then in a broad taxation base with a certain amount of rate flexibility.

The banking industry has not only the ad valorem tax upon its real estate but a special ad valorem tax upon our shareholders, which is paid by the bank. It is probably the only tax in which the dollar value of the base can be accurately determined and the rate at which this base is taxed set forth in statutory law. In 1972 we paid an ad valorem tax figured on 35% of our total capital accounts. Obviously, if the dollar face is too high, this tax can become almost confiscatory upon us. As present, the banks are paying through this ad valorem tax a tax in the range of 20% of our after-tax income. We are mentioning this not only to show the effect of ad valorem taxation on us but to point out what could happen if we have a continuous increase in millage without an increase in the tax base.

We hope you gentlemen can find the solution to this difficult, emotional and real problem. The success of all the labors at this convention may well depend upon how well your answers in this area are accepted by the people. We hope that by July — or however the deadline is — you will come up with a nice, short, simplified document which all of us can understand, and we wish you well in your endeavors. If there is anything we can do to cooperate, help you or supply you with information, let us know.

In making these comments relative to the possible effects on school finance of Judge Dobbert's decision in Russo vs. Long, we make no assumptions as to whether or not the order will be appealed and/or sustained, reversed or vacated.

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exercise restraint in levying these millages to produce approximately the
same amount of tax dollars. School Board members are elected, you know.

Another aspect of school financing that is affected by disparities of
assessment ratios among the parishes in the distribution of the minimum foundation
program funds. The formula used by the State first determines the cost of the
minimum program for each parish. From this sum the funds available from certain
sources to local Boards are deducted before apportioning the balance. Included
in the sum so deducted is the proceeds from the 3 mill constitutional tax
available to all School Boards. Under this procedure, as you can see, a parish
that has a relatively high assessment ratio is contributing more to the
equalization distribution than one with a low assessment ratio. If, as I
indicated earlier in this discussion, the Legislature established a uniform
percentage to be applied to the actual cash value of each assessment roll,
this inequity in the minimum foundation program distribution would be eliminated.
If on the other hand, an unequal percentage is applied among the parishes the
State Board of Education could write into the formula a factor that would bring
into balance these different ratios.

In summary it would be our opinion, that if the order stands and is implemented,
that there need not be any substantial impact on school financing however,
if the voters become alarmed at the prospect of substantially increased taxes
they may react by refusing to renew existing millage for operation and may refuse
to approve bond issues in the future. It is also possible that the Legislature
could over react and put unnecessarily restrictive conditions on the taxing of
property for school purposes. It doesn't need to happen and we certainly hope
that it will not.

STATEMENT ON BEHALF OF
THE SISTERS OF CHARITY OF THE
INCARNATE WORD OF LOUISIANA
WHO OWN AND OPERATE THE
SCHUMPERT MEMORIAL HOSPITAL,
SHREVEPORT, LOUISIANA

I am Samuel W. Cavelee, a member of the law firm of
Wilkinson, Carndy & Peatross, Shreveport, Louisiana. We
represent the Sisters of Charity of the Incarnate Word of
Louisiana, who own and operate the Schumpert Memorial Hospital
in Shreveport, and I appreciate the opportunity of making this
statement and asking you to clearly and firmly maintain the
traditional exemption which bona fide religiously owned and
operated hospitals have always enjoyed in Louisiana.

The Sisters of Charity of the Incarnate Word of
Louisiana are a religious organization of Catholic Sisters who,
under the direction and supervision of their parent order, the
Congregation of the Sisters of Charity of the Incarnate Word,
have operated the Schumpert Memorial Hospital in Shreveport,
Louisiana, since 1907. In addition, this same Congregation
owns and operates St. Patrick's Hospital in Lake Charles,
Louisiana, St. Frances Cabrini Hospital in Alexandria, Louisiana,
and St. Charles Legion Memorial Hospital in Newellton, Louisiana,
and, also, eleven other hospitals and orphanages in Texas,
Arkansas, Oklahoma, Utah and California. All of these institutions
have been exempt from ad valorem taxation until certain recent
action taken by the tax assessor of Caddo Parish.

Schumpert Memorial Hospital is the largest general
purpose, non-governmentally owned medical facility in North
Louisiana. It treats persons of all races and religious persuasions,
approximately 80 per cent of its patients being of other than the
Catholic faith. Its present principal building was erected
in 1957 at a cost in excess of $5,000,000, of which $1,500,000
was raised by public solicitation, approximately $1,000,000 in Hill-Burton grants, and the balance through the credit and sacrifice of the Sisters themselves. It is recognized as a leader in many medical fields, including psychiatric care, cobalt treatment, and heart and intensive care facilities. It also devotes its facilities without charge to the use of the Nursing School of the Northwestern State University School of Nursing which has an adjoining facility. The hospital is served by a medical staff composed of physicians and dentists from the Shreveport area and in addition thereto, employs nurses, aides, technicians, housekeeping personnel and the like. The Sisters of Charity of the Incarnate Word donate without any personal benefit the services of approximately 25 Sisters who supervise and operate the hospital and who have dedicated their lives to the treatment and care of the sick and infirm and the promotion of medical education and research for the improvement of the health of the community.

The Sisters of Charity of the Incarnate Word of Louisiana is a charitable, nonprofit, religious corporation chartered by the State of Louisiana on June 5, 1913. Since the date of that charter, the Schumpert Memorial Hospital has been carried on the exempt rolls for ad valorem tax purposes in Caddo Parish, Louisiana, and it has never been assessed or paid ad valorem taxes on real or personal property.

Article X, Section 4 of the Louisiana Constitution of 1921 specifically exempts from taxation places devoted to charitable undertakings. We represent that a hospital which is owned and operated by a religious order of nuns, who devote their lives to the treatment of the sick and infirm, with no income derived therefrom accruing to the proprietary benefit of any person or corporation but rather is dedicated solely to the care of the sick and infirm, is indeed a charitable institution. This general premise has traditionally been recognized by all of the assessors throughout Louisiana for over half a century. Even today, with the exception of Caddo Parish, we know of no other religiously owned hospitals which are or are being threatened to be put on the ad valorem property tax rolls.

However, the present assessor of Caddo Parish, Louisiana, has stated that a hospital of this kind is not a "charitable undertaking" because it charges "fees" and has assessed the Sisters with personal property taxes for the year 1972 and has publicly stated that he will assess them with ad valorem taxes on their real property for 1973 and thereafter. The Sisters have paid their 1972 personal property taxes under protest and will file in the coming week a lawsuit directed at the recovery of these taxes and a declaration that they are exempt from ad valorem taxes under the Louisiana Constitution because they are indeed devoted to "charitable undertakings" as that term has generally been defined and understood.

Whatever the outcome of this lawsuit, we urge the Constitutional Convention to take note of the fact that at least some assessors throughout the state are and will assess ad valorem property taxes to religiously owned hospitals and institutions which are not operated in a proprietary capacity, and if it is the wish of the Convention to continue this exemption which has been recognized for over half a century, and which has assisted the Sisters to develop excellent medical facilities throughout the state, to adopt suitable language to clearly set forth that institutions of this nature should not be subject to ad valorem property taxes.

MEMORANDUM

TO: Committee on Revenue, Finance and Taxation
State Constitutional Convention of 1973
Post Office Box 44473
Baton Rouge, Louisiana 70804

FROM: Robert L. Roland on behalf of Louisiana Hospital Association

DATE: Saturday, March 31, 1973

Mr. Chairman, members of the Committee, my name is Robert L. Roland. I am the Executive Counsel for the Louisiana Hospital Association and we appear today with reference to the exemption provided places devoted to charitable undertakings (Section 4 of Article X of the Louisiana Constitution of 1921).

The Louisiana Hospital Association represents 985 of the approximately 7,500 hospital beds in the state. The 150 hospitals represented by the Association are operated by the state, by religious orders, by non-profit organizations, and by for-profit institutions—the so-called proprietary hospital. For more than 100 years, Louisiana has provided an exemption from ad valorem taxes to places devoted to charitable undertakings and all Louisiana hospitals historically have been construed as coming within the exemption. There was some litigation at the turn of the century involving Hotel Dieu and Touche Infirmary, but the Louisiana Supreme Court confirmed the exemption which has remained unchallenged until recently. At the present time, both the Caddo Parish Assessor and the Louisiana Tax Commission have indicated that they will attempt to place all Louisiana hospitals, other than government owned hospitals, on the tax rolls.

The purpose of our appearance is to say that if this convention believes this long standing policy is to be continued, and we hope it will, then we urge you to incorporate language in the proposed constitution which will confirm the exemption without question. The Louisiana Hospital Association believes that this policy should be continued for these reasons:

1. These institutions are performing a service government would have to perform in their absence, i.e., providing for the health of the state's citizens.
2. If this service is performed by private, for-profit institutions, the already high cost of hospital care would have to be increased to cover the amount of the tax plus an element of profit.
3. These hospitals, for the most part, were built with community funds or by religious groups, or with federal help. Within the corporate documents, their assets are legally dedicated to the relief of those who would otherwise become a public burden. By their charter and in some cases by specific operation of law, if the facilities cease to be hospitals they must be dedicated to similar charitable, scientific or educational uses and not be distributed to any private person, firm, or corporation.
4. By the use of the exemption, one of the elements of cost is spread over all citizens, instead of merely those who are unfortunate enough to require hospitalization.
5. It is presently the national and state policy, including Louisiana, to exempt such facilities. In 35 of the state constitutions there is a specific provision exempting such facilities and in the remaining states they are exempted either administratively or legislatively.
6. A policy which has proven satisfactory for more than 100 years should not be changed in the absence of strong and compelling reasons to do so.

I am sure some of you at least will question the need for an exemption when all the institutions in question receive a fee from a large number of their patients and the amount of the fees has increased substantially in recent years. We would point out that most hospitals require almost three employees for each bed in the hospital in order to be assured of adequate service to all patients at all times and the amount of the charge and the amount of the fee in no wise covers the cost of operating the facilities. All hospitals, non-profit and proprietary, are reimbursed only a fixed cost for Medicare and Medicaid patients and this means that the paying patients must bear the unsubsidized expense for these other patients which range from 30% to 50% of the total census in any one hospital. In addition, federal regulations require a substantial amount of pure charity services. At the present time, literally hundreds of thousands of dollars in pure charity services are being rendered without compensation. Increased operating and patient care expenses to the cost of providing hospital care and if property taxes are to be added, then this additional expense will have to be borne by the paying patients throughout the state.

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Accordingly, the Association believes that this Constitutional Convention would be serving the best interest of the public if it makes clear again that hospitals should be exempt from property taxes in order to avoid adding to the cost which must be borne by the government and by the sick. Thank you again for your courtesy in extending us the privilege of making our views known.

Sincerely,

Robert L. Roland

STATEMENT OF DR. CHARLES MCDERMOTT, LEGISLATIVE CHAIRMAN OF BATON ROUGE TAXPAYERS EDUCATION ASSOCIATION (B.R.T.E.A) TO CONSTITUTIONAL CONVENTION COMMITTEE ON PROPERTY TAX
March 31, 1973

Taxpayers Education Association is a grassroots citizens’ organization which promotes judicious spending of public funds as provided by law and advocates a fair and equitable tax system.

The hearings I understand are limited to views on the property tax, including equalization of assessments. Patrick Henry said, “I have but one lamp by which my feet are guided; and that is the lamp of experience.” So, let us take a look at the experiences of another state—Minnesota—in the aftermath of the 1967 State legislative action changing the assessing laws to value property at the “market value.”

The property tax became confiscatory. The rates were so high that people had to give up ownership of property. Many people lost their homes. Many young people couldn’t afford to buy a home. Many senior citizens were forced to sell their homes and move to a higher rise or go on welfare. As inflation, the cruellest tax of all, and other taxes increase, how can the great class of hard-working, tax-paying Americans of Minnesota handle the lease payments (with property tax assessment at 100% of market value) and the house payments too?

Mr. Jean Van Poperin, Chairman of the Concerned Taxpayers of Minnesota stated that one concerned citizen told him: “If I pay this year’s real estate taxes I am finished and unless taxes are rolled back, home ownership will be a thing of the past.” This sentiment has been repeated overwhelmingly all across Minnesota. Here are a few of the sentiments expressed by members of taxpayers’ associations. One Minnesotan said: “I’ve seen statements with about 100% increases in taxes over last year. The legislature must establish a limit on real estate taxes. If this does happen, there will be a mass protest by taxpayers in Chisago County. Some may withhold payment of their property taxes. And one or ten say: “There is no saturation tax point and we have it.” And another states: “We’re trying not to ruin any local communities. We’re trying to save the State. Taxes must be lowered. Otherwise they will take your home; they will take your farm; they will take your b’rooms. There is no limit to how taxes will go.”

At a news conference following the court session asking equalization of assessments for property taxes, Governor Edwards said he would foresee fire property taxes increase all over the state as a result.

And how can those who have rental property continue renting in the face of federally-imposed rent controls and state-imposed confiscatory property taxes.

They will be caught in a vise and will lose their property.

There are those politicians who contend that Louisiana will not unner the experiences of Minnesota and other states with home escalated assessments at 100% of the market value from here, so they say, we can trust them. The politicians keep this from happening in Louisiana. In this context I want to mention that a purpose of the Constitutional law is to limit the power of government, for as Jefferson said, “in questions of power let no man hear the voice of confidence in any, but blight him down from above in the chain of the Constitution.” If you don’t limit the power of government, then its power is unlimited.

The private ownership of property has helped make this country great. Taxpayers Education Association believes that government should provide a state ownership of homes, farms and businesses that destroy private property through confiscatory property taxes. We oppose any plan of equalization of assessments of property at 100 percent of the fair value being made in the Constitution. We oppose the property tax recommendations of Mr. Lawrence P. Shall of Jefferson Parish.

In conclusion, we strongly urge that limits be placed on the taxing power of government by specific provisions in the Constitution; otherwise, taxpayers’ education Association will have to work for rejection of the Constitution when it presented to the people.

ADDRESS OF MRS. . E. REESE, JR., Research Chairman of the Taxpayers Education Association To: Subcommittee on Ad Valorem Taxes March 31, 1973

I am Mrs. E. Reese, Jr., Research Chairman of Taxpayers Education Association. At the last meeting of the officers of this organization, we wholeheartedly approved the property tax plan of Jefferson Parish Assessor, Lawrence P. Shall, to do away entirely with ad valorem taxes on a basis that would agree with his plan equalization is a vicious plan of assessments our homes and other properties at 100%, and we have no doubt that this will result in higher taxes. The home owner is now carrying the load. Why not let industry carry its fair share of tax?

Our total wealth $11 will be put on the line for the spending of government that is successfully only what they need, But who is to make this decision? The home owner is more interested in shrinking his own money as he sees fit, rather than have the City Parish Government decide for him that we need more parks, and the School Board, more luxuries for schools that have never taught our children the 3 R’s. We are being asked to trust the School Board and City Parish Government, not to impose compulsory taxation on us. But I can hear today to say that in view of the past actions of that body, we do not trust them.

The equalization plan would bring on such a tremendous tax burden that the small property owner would no longer be able to own his own home, for we would be on the road to bankrupting a large percentage of our home owners.

Wear out representation was what the Boston Tea Party was all about. As the country began with rebellion against unjust taxation and tyranny, it may well have to be saved and preserved by the same means. With this in mind, the Taxpayers Education Association will continue to work to kill this plan for equalization of assessments.

We wish to thank you for this opportunity of expressing our views.

JIM WARE COMPANY

1011 RIVER RD., BATON ROUGE, LA 70802

March 31, 1973

Constitutional Convention: Attn: Ms. Audrey LeBlanc, Coordinator Committee on Revenue, Finance, and Taxation Box 444473 Baton Rouge LA 70804
Gentlemen:

This is to confirm the statement I made to you in person on Saturday, March 31, 1973, in the afternoon meeting.

The Better Baton Rouge Committee, of which I am chairman, was formed to oppose local tax increases, specifically, a one-cent sales tax increase that the city-parish council enacted without a vote of the people and immediately used for two projects that the people had voted against. We note that in other cities, increased taxes have driven people out—for example, New Orleans—and we believe that by working to keep taxes from going up, we are working for a Better Baton Rouge. Hence our name, Better Baton Rouge Committee.

In Baton Rouge, there is an 8-mill city property tax, and a total of 16 mills of parish taxes, that are specified at some maximum millage, and which I will call "pay as you go" taxes.

There are other ad valorem taxes to pay off bonded indebtedness of the parish (and of the East Baton Rouge Parish School Board), so the total ad valorem tax here is 40.8 mills (as of 1972).

Re-assessing property at actual cash value would reduce the millage required for debt service—but only that millage. Re-assessment would not affect the pay-as-you-go taxes that make up nearly half the total tax. We believe you should insure that all millages be reduced in the same ratio that total assessments are raised.

We propose the following language:

"If property is re-assessed under any court order, then each taxing authority shall reduce its millage rate so that its total ad valorem tax revenue shall not be increased by the re-assessment, and the reduced rate shall be binding on the taxing authority from thence forward. No taxing authority shall levy any new tax or increase any existing tax except when authorized by a majority of voters in a tax election."

Sincerely yours,

BETTER BATON ROUGE COMMITTEE

March 31, 1973

Constitutional Convention
Attn: Ms. Audrey LeFlanc, Coordinator

We ask you to note that this language does not prevent taxes from being raised in a tax election, but it does prevent any taxing authority from making itself a "windfall" out of court-ordered re-assessment.

Sincerely yours,

BETTER BATON ROUGE COMMITTEE

[Signature]

Jim Ware, Chairman
3. Subcommittee on Revenues Other Than Property Tax

Chairman Triche called the meeting to order at 9:10 a.m. and, following the roll call, the agenda (as attached) was adopted.

Mr. James Norris, senior research assistant, provided a brief review of the basic constitutional and statutory provisions authorizing state taxes, their collections, and revenue sources. Mr. Norris cited lists contained in the Thirty-Second Annual Report of the Department of Revenue (p. 15), the Department of Revenue’s “Tax Guide” (p. 73-75), and the 1972-73 “State of Louisiana Budget” (pp. 10, 11).

The subcommittee requested that the staff compile a complete chart of all fees and taxes collected by the state, by which agencies, authorization information (constitutional or statutory), amounts and deductions.

Mr. Norris pointed out that presently the Department of Revenue collects more than one billion dollars annually and approximately seventy-five percent of all state revenue is collected by the Department of Revenue.

Possible issues were raised in the discussion of income tax and other growth taxes: Does the legislature have authority to change income tax rates and other similar taxes; is the taxing situation adequate for present and future needs; will the committee recommend change in the tax structure; will the constitution provide for such change; should the constitution authorize the legislature to set or change taxes by simple majority?

Mr. Champagne recommended deletion of all provisions which need not be included in the constitution; to protect the people and assure them against legislative irresponsibility. Mr. Champagne recommended super code which could include all provisions which should require 2/3 majority of legislature to alter.

Mr. Planchard recommended that the research staff study the mechanics of providing for such a “Code” by constitutional authority.

Mr. Norris was asked to compile a list of dedications which cannot be altered or eliminated from the constitution.

Article X, Section 1 was noted as being the general authority of legislature for levying taxes. Certain specific authority is granted elsewhere in constitution, i.e., income tax, etc.

Following the subcommittee’s brief discussion of the history, authority, regulation, and collection of income, sales, and severance taxes, Mr. Planchard requested that representatives of the Forestry and Tax Commissions which execute severance tax reforestation contracts, appear before the subcommittee to explain their roles and functions.

Mr. Champagne asked how the subcommittee was to determine the sufficiency of various tax rates. Mr. Triche asked if
the constitution must necessarily provide specifications regarding severance tax. He mentioned that Article X, Section 21 sets the primary limitations. The gasoline tax was determined to have constitutional levy limitations and, although the revenue is dedicated, the tax could be covered by statute rather than the constitution.

Mr. W. T. Taylor, director of the Department of Highways, was introduced by the chairman. Mr. Taylor introduced the department's General Counsel, Phillip Jones, and Traffic and Planning Engineer, Grady Carlisle.

Mr. Taylor briefly outlined the function and operation of the department's General Highway Fund and revenues dedicated to this fund. He strongly recommended that the General Highway Fund and all existing dedicated revenues remain in the constitution. Mr. Taylor said the department preferred not to be wholly dependent on the legislature and, he pointed out, there were still a number of bonds outstanding which are backed by the constitution.

Mr. Taylor explained the function of the "long-range" highway fund and bonding provision applicable thereto.

Mr. Triche expressed concern about the constitutional provision which establishes the General Highway Fund (Article VI, Section 22), and references therein enumerating the fuels included in the gasoline tax and various specific tire and levy limitations.

Mr. Phillip Jones conceded that there were doubtlessly some obsolete provisions in the general Fund sections.

Dr. Gautier asked if there are any provisions in our present constitution to protect bond holders. Mr. Jones answered that such bond holders are protected in the constitution and such provisions were included in the bonds' contracts. Further, Mr. Jones cautioned, if such provisions were deleted from constitutional guarantee, contracts would be breached.

Mr. Planhard asked if the department's dedicated funds must be in the proposed constitution as now existing in the constitution of 1921. Mr. Jones said yes; such inclusion was necessary so that obligations could be met.

Mr. Champagne asked if the department would agree to a constitutional provision providing for dedication of funds, but allow amounts to be specified in "code," which could be amended by 2/3 vote of the legislature. Mr. Taylor agreed such designation would be acceptable.

Mr. Jones concurred with Mr. Taylor, but reiterated the necessity for constitutional provision for dedication.

Mr. Taylor pointed out that the department was itself not responsible for collection.

Mr. Taylor was asked to supply data on the outstanding bonds, the range of obligations of the highway fund, and a schedule of the bonds' retirement dates. The "Schedule of

Bonds Outstanding and Bond Interest from July 1, 1972 to Maturity" was distributed and is included herein.

Mr. Jones referred to Article IV, Section 2, saying that the highway board would not impinge on dedicated funds, that these were expressly dedicated for the retirement of bonds, and should later be used for the operation of the highway department.

Mr. Taylor expressed the need for recurring revenue to insure the continual operation of the department.

Mr. Norris asked how strongly Mr. Taylor was opposed to removing dedications from the constitution if bonds were backed by the full faith and credit of the state with two-thirds legislative authority. Mr. Taylor said he preferred the constitutional mention rather than relying on legislative action.

Senator Nunez suggested that perhaps a percentage rather than exact dollar amounts be used to set rate of taxation to accommodate changing economic conditions.

Mr. Triche expressed the possibility of increasing the three-dollar motor vehicle license.

Secretary of State Wade O. Martin then addressed the subcommittee's attention to the collection of corporation and franchise fees as covered in the operation of his office.

Mr. Martin stressed that all monies collected by his office were actually fees and not taxes, and reviewed a chart of those "fees" as attached.

Mr. Champagne asked if the secretary of state set the amount. Mr. Martin replied that they are set by the legislature on his office's recommendation.

The fees, Mr. Martin reported, were usually sufficient to cover the collection expense. He stated further that the elections office requires approximately two million dollars for its operation.

Mr. Slay asked that Mr. Martin and each witness appearing supply the subcommittee with a draft of his recommendations, or constitutional provisions for consideration by the subcommittee. Mr. Martin said he would supply such before Friday, March 30, 1973.

Messrs. Larry Cook and Joe Herring, fiscal officer and collections department manager of the Wild Life and Fisheries Commission respectively were next to appear.

Mr. Cook began, stating that the Conservation Fund and revenues collected by the department generated approximately thirty million dollars to the General Fund, that all authority for collection came from the statutes, and that the department collects all of those specified except royalties on mineral land.

Mr. Cook reported that the "Sporting License" fees were collected partially by the department, and partially by the sheriff, who in turn transmits those funds to the state treasurer's office.
Mr. Planchard asked if that department considered provision for taxes necessary in the proposed constitution.

Mr. Cook replied that a general provision authorizing the department to collect taxes and license fees would be sufficient, if all were specified. Such specification would be necessary, Mr. Cook reported, in order to maintain the integrity of the Conservation Fund.

Mr. Champagne asked if the department expected revenues to continue to rise. Mr. Cook said that there would probably be a gradual incline in such collections as the "Sporting License."

Mr. Triche pointed out that there were no limitations in the existing constitution relating to such taxes, and suggested that it might be advantageous for the conservation board to set fee amounts pertaining to the taxes within its purview, which presently it has no authority to do.

Mr. Triche asked if collections might be more successfully achieved by the Department of Revenue. Mr. Cook responded that perhaps it would be possible and feasible, but that the department was accustomed to collection duties and that he could foresee no problems.

Senator Nunez asked for a breakdown as to the Conservation Department's cost of collecting ten million dollars. Mr. Cook said that the cost was approximately one-hundred thousand dollars annually or about ten percent.

Mr. Cook was asked to supply the subcommittee a statement of taxes and fees, their uses, and the department's overhead cost of collection.

The Department of Public Safety was represented by Mr. Larry Messina of the state police, Mr. John Politz of the motor vehicle division, and Mr. James H. Morgan of the license control and drivers improvement division.

Mr. Messina reviewed the attached statements of revenues and authority for collection of such revenues, and stated that there appeared to be no reason for constitutional inclusion of taxes. He further reported that the fees are probably low and that the legislature sets fee amounts.

Mr. Politz reported that the motor vehicle division issues license plates, temporary markers, title and mortgage fees, and dealers permits. He said the department collects close to eighty-one million dollars annually, with twenty-seven million dollars collected directly. The cost of such collections, he said, was approximately five million dollars.

When asked for recommendations, Mr. Politz said the division's only real requirement was more employees. The subcommittee asked to be supplied with an organizational chart of motor vehicle division and the Department of Public Safety.

Mr. Morgan reported that the driver's license division's annual budget was four hundred, ninety thousand dollars which was entirely derived from driver's license fees, and reviewed the attached chart listing those fees specifically; authority for collection is statutory and provided for in the constitution, Article X, Section 1. Fees are set by administrative regulation.

Representatives of the Department of Revenue appearing included Deputy Collector of Producer Taxes San Wimbish, Jr., special projects director William E. Tuttle, and Severance Tax Division Director Kenneth L. Canik.

Mr. Wimbish reported that forty taxes were presently collected by the department, and was asked by the subcommittee for a list of those cited in the constitution. Mr. Wimbish said such a list would be supplied. Article VI, Section 26 was cited as authorization for the office of collector of revenue.

Mr. Triche suggested that regulations on the collection of gasoline and similar taxes might be more appropriately set out in legislation, saying that presently nineteenth century fees and taxes were included in the constitution.

Following a brief discussion on the feasibility of centralization of all tax collection by the Department of Revenue, Mr. Wimbish replied to questions that in most cases centralization was feasible. He cited exceptions such as the recent shift on vehicle sales tax collection from the Department of Revenue to the motor vehicle division of the Department of Public Safety.

Referring to the inheritance tax collection, Mr. Champagne asked whether adequate guarantee for appeal by the taxpayer was presently evident, and what was the taxpayer's remedy if he doubted the assessment or wished to appeal. Mr. Wimbish said that presently a letter was sent to the taxpayer giving notice of assessment and right to a hearing. The taxpayer could appeal to the Department of Revenue and after that to the Tax Commission.

Mr. Champagne expressed his thoughts that there was no real procedure in the collection of sales tax on food and drugs, that regulations existed which could not be enforced.

Mr. Wimbish replied that in most instances that was an across the board issue. He further pointed out that collection of excess must be remitted to the state.

Mr. Slay asked why there was no outline of all taxes and licenses required by law. He said that such an outline should be furnished all businessmen. He then suggested that Department of Revenue supervise all collections.

Mr. Wimbish said that the department's "Tax Guide" was designed to meet the businessman's needs and, in the second instance, the department would study the idea and so recommend the appropriate action to the legislature.

Mr. Triche suggested that the subcommittee might consider providing in the proposed constitution that the collector of revenue's scope include those taxes which are now collected piecemeal by other agencies.

The subcommittee asked that the Department of Revenue recommend in writing what changes it would prefer for inclusion in the constitution, and asked that the department be invited to appear when the subcommittee reviewed the exemption provisions.

Mr. Tuttle reported that the constitution provides that the collector of revenue is responsible for the collection of all taxes, with many exceptions and exemptions, citing Article [461]
X, Section 8, which was enacted in 1934 and considered to be outmoded. One exception, he pointed out, was the occupational license law, which is statutory in authority.

Another example, Mr. Tuttle specified, was the state’s income tax law. Enacted in 1934, its taxing rate was not to exceed two percent. He said such limitations can cause serious problems.

Mr. Champagne commented that more income tax revenue had been collected since the federal income tax exemption was removed.

Mr. Tuttle said that the theory behind the Department of Revenue’s collection of taxes was that it was more efficient and provided a better management of the cash flow, and suggested that there be a common tax period identification process with occupational licenses included and that punitive provisions be eliminated. He concluded that there was much to be said for centralization of collections, but such always were not feasible.

Perhaps, Mr. Tuttle and the subcommittee further concluded, there was need for a revenues and taxation review body with “constant review and authority to move,” and consisting of perhaps the state treasurer, the collector of revenue, and others as members.

Another possible change to be considered, Mr. Canik suggested, was the limitations on the sulphur severance tax rate, set at one dollar and three cents ($1.03) per long ton in 1940. This, he said, might now be unrealistic, since the value of sulphur was appreciably increased. Likewise, he reasoned the tax might need to be increased.

Mr. Canik explained that the severance tax (Article X, Section 21) specified quantity or value at time and place of severance. Realistically, he cautioned, the tax should be formulated on value.

Because of the two-thirds legislative approval requirement on tax changes, Mr. Canik thought it might be more realistic to allow the legislature to set tax based on value, which would allow tax to fluctuate with value. At present, he said, the rate was static.

Mr. Canik voiced his opinion that perhaps the constitution should prohibit the legislature from acting by resolution on tax matters, pointing out that resolution to suspend a tax required only a simple majority, while levying a tax required a two-thirds vote.

Mr. Champagne suggested that it was possible for the subcommittee to study tax formulas and limitations for inclusion either in the constitution or by the “code” approach.

Mr. Canik said there should be no other tax on oil or gas, that the gas severance tax and the gathering tax on oil were specified in the state constitution, and he referred to the commerce clause in the federal constitution.

Mr. Canik said the department was presently attempting to collect severance tax on sand, but found it the most difficult tax to collect.

Mr. Canik also pointed out that the former Conservation Department was given constitutional dedication of the mineral land royalties, but that the Wild Life and Fisheries Commission took the royalties dedication with it when the two were divorced. It might avoid conflict, Mr. Canik reiterated, if one collection agency was authorized.

The appearances by invited speakers being concluded, the subcommittee decided that at 8:30 a.m. on Thursday, April 5, 1973 it would reconvene to study and hear reports from the Forestry and Tax Commissions on the timber severance tax, the Department of Revenue on exemptions, the Mineral Board on oil and gas severance taxes, and reports on local taxation from the Police Jurisdictions Association and the Louisiana Municipal Association, with a view towards hearing the public view on such taxes on April 13 and 14, 1973.

The staff was asked to arrange for the April 13 and 14, 1973 meeting.

The subcommittee decided to adopt May 15, 1973 as its target date for completion of first proposals.

There being no further business and no objection to the motion, the subcommittee meeting was adjourned at 4:30 p.m.

Risley C. Triche, Chairman

NOTES
The Schedule of Bonds Outstanding cited in the Minutes as attached is not found in the Committee files.

SECRETARY OF STATE

Statement of Fees and Taxes Collected by the Secretary of State for Fiscal Year Ending June 30, 1972 as Taken from the Report of the Legislative Auditor that date.

The following is a list of the fees, charges and taxes which are collected by the Secretary of State:

**TAXES**
- Incorporation tax - domestic: $85,696.00
- Incorporation tax - foreign: $33,945.00

**CORPORATION FILING FEES**
- Incorporation filing fees: $112,970.75
- Nontrading charters: $1,094.00
- Certificate of authority: $5,548.00
- Initial report: $25,605.00
- Certificates: $60,844.45
- Certified copies of charters, etc.: $87,024.90
- Powers of attorney: $72.00
- Name reservation fee: $17,915.00
- Resignation of agent: $1,275.00

**OTHER FILING FEES**
- Trade Marks: $5,755.00
- Process verbaux: $1,667.00
- Notarial bonds: $1,596.00
- Leaves of absence: $72.00
- Sales of Revised Statutes: $1,359.25
- Miscellaneous: $310.45
- Corporation Annual Report: $150,916.00
- Service of Process: $33,412.00

**CANDIDATES' DEPOSITS**
- TOTAL: $652,885.80
Receipt of sale of acts remitted to
Supreme Court
3,668.10 566,654.10

By far the greatest number of these collections are for services rendered by the office. The only cases in which a tax is collected is a small incorporation tax based on a one-time payment on authorized capital when a charter is filed, and when authorized capital is increased. These taxes represent 18.32 percent of the total collections.

With regard to fees and services, all funds being collected "for services rendered" should continue to be collected at the time and in the place where the service is rendered. The same is true of the amounts collected on the "corporation tax", because the service far outweighs the collection aspect, and it would be a tremendous inconvenience and waste of time and effort to have such services performed in one place and the fees or charges collected in another.

All funds collected were transferred to the general fund of the state with the following exceptions: $46,297.00 out of the collections from the collection of Corporation Annual Reports which amount was used with the approval of the Legislative Budget Committee and the Commission of Administration for the purpose of collecting this fee (Act 632 of 1970).

Of the total collected for the Service of Process fees, $33,412, all of this except $930.21 was used in operating this department under the authority of Act 58 of 1954.
# CONSTITUTIONAL AND STATUTORY DEDICATIONS

<table>
<thead>
<tr>
<th>Source of Revenue</th>
<th>Agency to which Dedicated</th>
<th>Amount of Dedication</th>
<th>Citation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average tax on forest and cutover lands</td>
<td>Forestry Funds</td>
<td>All proceeds</td>
<td>R.S. 56:1524</td>
</tr>
<tr>
<td>Alcoholic Beverage Tax (Low alcoholic content)</td>
<td>Veterans Bonus</td>
<td>All (any residue to State General Fund)</td>
<td>R.S. 26:460(A)</td>
</tr>
<tr>
<td>(High alcoholic content)</td>
<td>City of New Orleans</td>
<td>$700,000 annually</td>
<td>R.S. 26:460(C)</td>
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<tr>
<td></td>
<td>State General Fund (For purpose listed and enumerated in Act 211 of 1970)</td>
<td>Amount of tax increase provided in R.S. 26:341(1)</td>
<td>R.S. 26:460(D)</td>
</tr>
<tr>
<td></td>
<td>State General Fund</td>
<td>Remainder</td>
<td>R.S. 26:460(B)&lt;br&gt;(Act 11 of 1972 E.S.)</td>
</tr>
<tr>
<td>Auction Sales Tax</td>
<td>Charity Hospital at New Orleans</td>
<td>All proceeds</td>
<td>R.S. 5:363</td>
</tr>
<tr>
<td>Corporate Franchise Tax</td>
<td>(1) Ed. of Admin. of Charity Hospital at New Orleans</td>
<td>$1,000,000</td>
<td>R.S. 47:615(1),(2),(3)</td>
</tr>
<tr>
<td></td>
<td>(2) Governor</td>
<td>$40,000 for law enforcement (a) $350,000 capital construction (b) $1,217,000 maintenance and capital construction</td>
<td>R.S. 47:615(4)&lt;br&gt;R.S. 47:615(5)</td>
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<tr>
<td></td>
<td>(3) LSU</td>
<td>$1,000,000</td>
<td>R.S. 22:1075</td>
</tr>
<tr>
<td>Fees and Charges of Dept. of Conservation (Drilling permit fees)</td>
<td>Dept. of Conservation</td>
<td>All proceeds for expenses of administering regulatory provisions of Dept. of Conservation and La. Geological Survey</td>
<td>R.S. 30:21</td>
</tr>
<tr>
<td>Source of Revenue</td>
<td>Agency to which Dedicated</td>
<td>Amount of Dedication</td>
<td>Citation</td>
</tr>
<tr>
<td>---------------------------</td>
<td>-----------------------------------------------------------------</td>
<td>--------------------------------------------------------------------------------------</td>
<td>------------------------------</td>
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<tr>
<td>Fireworks Tax</td>
<td>Fire Marshal</td>
<td>All</td>
<td>R.S. 51:656</td>
</tr>
<tr>
<td>Gasoline Tax</td>
<td>General Highway Fund</td>
<td>(a) General Highway Fund</td>
<td></td>
</tr>
<tr>
<td></td>
<td>4¢ tax</td>
<td>(b) Bd. of Comm., Lake Charles Harbor &amp; Terminal District</td>
<td></td>
</tr>
<tr>
<td></td>
<td>1¢ tax</td>
<td>(c) Bd. of Comm. Port of New Orleans</td>
<td></td>
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<tr>
<td></td>
<td>2¢ tax</td>
<td>(d) General Highway Interest and Redemption Fund</td>
<td></td>
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<tr>
<td></td>
<td>1¢ tax</td>
<td>(a) General Highway Fund</td>
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<td></td>
<td>(b) Parish One Cent Gasoline Fund</td>
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<td></td>
<td></td>
<td>(c) La. Bond Security and Redemption Fund</td>
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<tr>
<td>Income Tax</td>
<td>(1) Bond Security Redemption Fund</td>
<td>$1,000,000</td>
<td>R.S. 47:285</td>
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<td></td>
<td>(2) State General Fund, for purposes enumerated in Act 211 of 1970</td>
<td>Amount from repeal of federal exemption</td>
<td>R.S. 47:285.1</td>
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<td></td>
<td>(3) State General Fund</td>
<td>Remainder</td>
<td>R.S. 47:285</td>
</tr>
<tr>
<td>Lubricating Oil Tax</td>
<td>General Highway Fund</td>
<td>All proceed</td>
<td>R.S. 47:745</td>
</tr>
<tr>
<td>Motor Carrier Regulatory Tax</td>
<td>Public Service Commission</td>
<td>All - for enforcement</td>
<td>R.S. 45:169.1</td>
</tr>
<tr>
<td>Foreign Fire Insurance Co. Tax</td>
<td>Except in Orleans Parish, volunteer fire departments</td>
<td>All on business done in particular municipality or district</td>
<td>R.S. 22:1585</td>
</tr>
<tr>
<td></td>
<td>In Orleans Parish, Firefighter's Pension and Relief Fund of city of New Orleans</td>
<td>All on business done in New Orleans</td>
<td>R.S. 22:1585</td>
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<td>Horse Racing Tax</td>
<td>1. Races held in municipalities and parishes with a population over 450,000</td>
<td>(a) Louisiana Legislative Council</td>
<td>R.S. 4:163(A)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(b) Municipality or parish in which track is operated</td>
<td>(b) $1,394,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(c) Isaac Delgado Trade School</td>
<td>(c) $110,000</td>
</tr>
<tr>
<td>Source of Revenue</td>
<td>Agency to which Dedicated</td>
<td>Amount of Dedication</td>
<td>Citation</td>
</tr>
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</tr>
<tr>
<td>Horse Racing Tax (Cont'd.)</td>
<td>(d) Board of Supervisors of LSU</td>
<td>$915,000</td>
<td>R.S. 4:163(A)</td>
</tr>
<tr>
<td></td>
<td>(e) Capital Construction and Improvement Commission</td>
<td>$500,000</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(f) Southern University B.R.</td>
<td>$70,000</td>
<td></td>
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<tr>
<td></td>
<td>(g) Southern University N.O.</td>
<td>$75,000</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(h) LSU N.O.</td>
<td>$100,000</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(i) State General Fund; on and after July 1, 1977, 1/2 to State General Fund and 1/2 to city or parish</td>
<td>Balance</td>
<td></td>
</tr>
<tr>
<td>2. Races held in municipalities and parishes with a population under 450,000</td>
<td>(a) Louisiana Legislative Council</td>
<td>$25,000</td>
<td>R.S. 4:163(B)</td>
</tr>
<tr>
<td></td>
<td>(b) State General Fund</td>
<td>$200,000</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(c) Parish in which track operated</td>
<td>$200,000 (if within municipality 1/3 to municipality and 2/3 to parish)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(d) State General Fund</td>
<td>1/2 balance</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(e) Parish</td>
<td>1/2 balance (if within municipality 1/6 to municipality and 2/6 to parish)</td>
<td></td>
</tr>
<tr>
<td>3. Races held in Jefferson Parish</td>
<td>(a) Louisiana Legislative Council</td>
<td>$25,000</td>
<td>R.S. 4:163(E)</td>
</tr>
<tr>
<td></td>
<td>(b) Parish</td>
<td>2/3 of $200,000</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(c) City of Kenner</td>
<td>1/3 of $200,000</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(d) State Board of Education, for capital improvements; of which $100,000 to Southeastern L.A. University, $75,000 to Delgado and $75,000 to Jefferson Parish Trade School</td>
<td>$250,000</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(e) State Parks and Recreation Commission</td>
<td>$75,000</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(f) State General Fund</td>
<td>40% of balance</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(g) Parish</td>
<td>30% of balance</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(h) City of Kenner</td>
<td>30% of balance</td>
<td></td>
</tr>
<tr>
<td>Source of Revenue</td>
<td>Agency to which Dedicated</td>
<td>Amount of Dedication</td>
<td>Citation</td>
</tr>
<tr>
<td>-------------------</td>
<td>---------------------------</td>
<td>----------------------</td>
<td>----------</td>
</tr>
<tr>
<td>Horse Racing Tax (Cont'd.)</td>
<td>(a) Louisiana Legislative Council</td>
<td>$25,000</td>
<td>R.S. 4:163(F)</td>
</tr>
<tr>
<td>4. Races held in Calcasieu Parish</td>
<td>(b) State Board of Education, for capital improvements, of which $100,000 to McNeese for facilities, salaries, etc., $100,000 to Sowela Tech Institute, $50,000 to USL and $25,000 to LSU at Eunice</td>
<td>$275,000</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(c) Calcasieu Parish</td>
<td>$100,000</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(d) State General Fund</td>
<td>1/2 balance</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(e) Calcasieu Parish</td>
<td>1/2 balance</td>
<td></td>
</tr>
<tr>
<td>5. Races held in Lafayette Parish</td>
<td>(a) Louisiana Legislative Council</td>
<td>$25,000</td>
<td>R.S. 4:163(C)</td>
</tr>
<tr>
<td></td>
<td>(b) State Board of Education, for capital improvements, of which $260,000 to be used at USL, $50,000 at McNeese and $50,000 at Nicholls</td>
<td>$360,000</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(c) State General Fund</td>
<td>1/2 balance</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(d) Lafayette Parish</td>
<td>1/2 balance</td>
<td></td>
</tr>
<tr>
<td>6. Races held in Natchitoches Parish</td>
<td>(a) State Board of Education</td>
<td>40% of $300,000</td>
<td>R.S. 4:163(D)</td>
</tr>
<tr>
<td></td>
<td>(b) Parish</td>
<td>75% of next 40% of $300,000</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(c) Village of Clarence</td>
<td>25% remaining</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(d) Department of Hospitals</td>
<td>Next 10% of $300,000</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(e) Tourist Development Commission</td>
<td>Next 10% of $300,000</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(f) State General Fund</td>
<td>40% of balance</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(g) Louisiana Legislative Council</td>
<td>10% of balance</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(h) Distribution same as in (a) through (e)</td>
<td>50% of balance</td>
<td></td>
</tr>
</tbody>
</table>

Revenues from Mineral Leases

<table>
<thead>
<tr>
<th>Component</th>
<th>Agency to which Dedicated</th>
<th>Amount of Dedication</th>
<th>Citation</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Out of all leases and bonuses</td>
<td>General Highway Fund</td>
<td>$2,500,000</td>
<td>La. Const. Art. IV, §2(c)(2)</td>
</tr>
<tr>
<td>(2) Royalties and Rentals</td>
<td>Royalty Road Fund</td>
<td>10% of proceeds to credit of parish in which production occurred</td>
<td>La. Const. Art. IV, §2; R.S. 30:136</td>
</tr>
<tr>
<td></td>
<td>General Highway Fund</td>
<td>$12,500,000</td>
<td>La. Const. Art. IV, §2(c)(1)</td>
</tr>
<tr>
<td>Source of Revenue</td>
<td>Agency to which Dedicated</td>
<td>Amount of Dedication</td>
<td>Citation</td>
</tr>
<tr>
<td>------------------</td>
<td>---------------------------</td>
<td>----------------------</td>
<td>----------</td>
</tr>
<tr>
<td>Revenues and Royalties from beyond 3-mile limit</td>
<td>Retirement of State Debt</td>
<td>All</td>
<td>La. Const. Art. IV, §2(b)</td>
</tr>
<tr>
<td>Proceeds from mineral leases on lands under jurisdiction of Dept. of Wildlife and Fisheries</td>
<td>Conservation Fund</td>
<td>All</td>
<td>R.S. 56:631</td>
</tr>
<tr>
<td>Mineral leases from Rockefeller Wildlife Refuge</td>
<td>(a) Rockefeller Wildlife Refuge and Game Preserve Fund</td>
<td>All minus prior charges</td>
<td>Act 71 of 1920</td>
</tr>
<tr>
<td></td>
<td>(b) Public school and public health</td>
<td>Any surplus</td>
<td>Acts 378 and 438 of 1954; Act 321 of 1972</td>
</tr>
<tr>
<td>Mineral leases from Russell Sage Foundation</td>
<td>(a) Russell Sage Foundation</td>
<td>1/2 revenues</td>
<td>Act 70 of 1920;</td>
</tr>
<tr>
<td></td>
<td>(b) Maintaining, policing and improving Marsh Island Refuge Fund</td>
<td>Other 1/2 revenues</td>
<td>Act 62 of 1971</td>
</tr>
<tr>
<td></td>
<td>(c) Russell Sage or Marsh Island Refuge Fund</td>
<td>1/2 of any excess</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(d) Wildlife and Fisheries Commission</td>
<td>Other 1/2 of any excess</td>
<td></td>
</tr>
<tr>
<td>Tidelands mineral leases</td>
<td>(a) Purchase and retirement in advance evidences of indebtedness</td>
<td>Not more than 10% of the fund, but not in excess of $10,000,000</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(b) Capital improvements</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tax</td>
<td>Department of Public Welfare</td>
<td>Remainder after deductions to dealers and cost of collecting except as otherwise provided</td>
<td>R.S. 47:318</td>
</tr>
<tr>
<td></td>
<td>Larose-Lafitte Toll Road Authority</td>
<td>Up to $900,000 annually, subject to prior dedications - the amount needed to pay the principal and interest on bonds after deducting the amount of tolls collected and to be applied to the payment of principal and interest</td>
<td>Act 192 of 1962 R.S.</td>
</tr>
<tr>
<td>Source of Revenue</td>
<td>Agency to which Dedicated</td>
<td>Amount of Dedication</td>
<td>Citation</td>
</tr>
<tr>
<td>--------------------------------------------------------</td>
<td>------------------------------------------------------------------------------------------</td>
<td>-------------------------------------------------------------------------------------</td>
<td>---------------------------------</td>
</tr>
<tr>
<td>Sales Tax (Cont'd.)</td>
<td>Louisiana Fiscal Authority (Bond Redemption Fund) to supplement teachers pay (R.S. 17:421)</td>
<td>7% of proceeds of tax annually</td>
<td>Act 2 of 1962 (R.S. 12:2225)</td>
</tr>
<tr>
<td>Sales tax on pari-mutuel wagering tickets</td>
<td>Capital Construction and Improvement Commission</td>
<td>Amount necessary to pay interest and principal on bonds to construct LSU Veterinary School at main campus</td>
<td>Act 198 of 1968 R.S.</td>
</tr>
<tr>
<td>Additional one cent sales tax</td>
<td>For purposes listed and enumerated in Act 211 of 1970</td>
<td>All</td>
<td>R.S. 47:323</td>
</tr>
<tr>
<td>Severance Taxes</td>
<td></td>
<td>Total amount collected</td>
<td>R.S. 56:10</td>
</tr>
<tr>
<td>Shrimp</td>
<td>Louisiana Wild Life and Fisheries Conservation Fund</td>
<td>Total amount collected from all sources provided for by R.S. 50:421-R.S. 56:449, including the leasing of water bottoms for purposes other than minerals, licensing of vessels used for oyster industry</td>
<td>R.S. 56:447</td>
</tr>
<tr>
<td>Oysters</td>
<td>Louisiana Wild Life and Fisheries</td>
<td>One-half to administration of commercial seafood laws and maintenance of property and equipment therefor and one-half to upkeep of oyster seed grounds</td>
<td>R.S. 56:458</td>
</tr>
<tr>
<td>Shells</td>
<td>Louisiana Wild Life and Fisheries</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Natural resources (those severance taxes on natural resources collected by the Dept. of Revenue)</td>
<td>All severance taxes collected on oil, gas, salt and shells (not otherwise allocated) plus all severance taxes collected on all other natural resources taken from the soil or water</td>
<td>(a) 1/3 of tax on sulphur to any one parish, not over $100,000</td>
<td>R.S. 47:645</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(b) 1/5 of tax on oil, gas, marble, salt, coal, stone, lignite, ores, gravel, sand and shells to parish from which collected (not to exceed $200,000 in aggregate to any one parish)</td>
<td></td>
</tr>
<tr>
<td>Source of Revenue</td>
<td>Agency to which Dedicated</td>
<td>Amount of Dedication</td>
<td>Citation</td>
</tr>
<tr>
<td>------------------</td>
<td>---------------------------</td>
<td>----------------------</td>
<td>----------</td>
</tr>
<tr>
<td>Severance Taxes (Cont'd.)</td>
<td>(a) Department of Education</td>
<td>Amount necessary for school books and supplies after allowances by the Constitution</td>
<td>R.S. 17:351</td>
</tr>
<tr>
<td></td>
<td>(b) Department of Education (State Public School Fund)</td>
<td>Residue of Severance Tax Fund not to exceed $500,000 to be appropriated by the legislature for the purpose of purchasing free school books and supplies</td>
<td>La. Const. Art. XII, §14</td>
</tr>
<tr>
<td>Timber (Reforestation Tax)</td>
<td>To parish governing authority from which timber is removed</td>
<td>75% of amount collected annually</td>
<td>La. Const. Art. X, §1</td>
</tr>
<tr>
<td></td>
<td>State General Fund</td>
<td>25% of amount collected annually</td>
<td></td>
</tr>
<tr>
<td>Tobacco Tax</td>
<td>(a) LSU</td>
<td>$1,000,000</td>
<td>R.S. 47:869</td>
</tr>
<tr>
<td></td>
<td>(b) Municipalities now or hereafter incorporated</td>
<td>On per capita basis</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(c) Parishes having no incorporated municipalities (provided 37 1/2% of total tax proceeds less amount to LSU and withholds exceed the amount allocated to municipalities) any remaining allocation of the 37 1/2% would be to municipalities with smallest per capita allocation</td>
<td>$1.50 per capita</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(d) Cities over 100,000 population</td>
<td>50¢ per capita out of remaining 62 1/2% of tax proceeds</td>
<td></td>
</tr>
<tr>
<td>Special Fuel Tax</td>
<td>General Highway Fund</td>
<td>Total collected, less withholds</td>
<td>R.S. 47:815</td>
</tr>
<tr>
<td>Public Utilities Tax</td>
<td>State General Fund</td>
<td>Total collected, less withholds</td>
<td>R.S. 47:1010</td>
</tr>
<tr>
<td>Vehicle Licenses</td>
<td>General Highway Fund and State Highway Fund No. 2</td>
<td>Total collected, less withholds</td>
<td>R.S. 47:481</td>
</tr>
<tr>
<td>Source of Revenue</td>
<td>Agency to which Dedicated</td>
<td>Amount of Dedication</td>
<td>Citation</td>
</tr>
<tr>
<td>-------------------</td>
<td>---------------------------</td>
<td>----------------------</td>
<td>----------</td>
</tr>
<tr>
<td>the certificate fees</td>
<td>Department of Public Safety</td>
<td>$1,100,000 to be used for 100 additional state troopers and operation and maintenance of vehicles and equipment</td>
<td>R.S. 32:733</td>
</tr>
<tr>
<td>for vehicle dealers and salesmen licensing fees</td>
<td>Department of Public Safety</td>
<td>Total collected to be used to administer La. Vehicle Certificate of Title Law.</td>
<td>R.S. 32:733</td>
</tr>
<tr>
<td>taker's license fee</td>
<td>(a) Division of State Police (b) Minimum salary schedule of state police (c) State Police Pension and Retirement Fund</td>
<td>50¢ out of each fee $1.00 out of each fee 50¢ out of each fee</td>
<td>R.S. 32:412</td>
</tr>
<tr>
<td>Class A ($3.50)</td>
<td>(a) Police Pension Fund (b) Minimum salary schedule of state police</td>
<td>$1.00</td>
<td></td>
</tr>
<tr>
<td>Class A licenses to residents of municipalities in excess of 320,000 ($3.50)</td>
<td>(a) Police Pension Fund (b) Minimum salary schedule of state police</td>
<td>$1.00</td>
<td></td>
</tr>
<tr>
<td>Class C licenses to residents of municipalities in excess of 300,000 ($5.50)</td>
<td>(a) Police Pension Fund (b) State Police Pension and Retirement Fund</td>
<td>$2.00 out of each fee 50¢ out of each fee</td>
<td></td>
</tr>
<tr>
<td>cell-Motel room occupancy tax</td>
<td>Louisiana Stadium and Exposition District</td>
<td>Total collected, except the 1% tax Orleans Parish School Board is authorized to impose and the 1% tax the Jefferson Parish School Board is authorized to impose. To be distributed to the municipalities in the proportion of the population of the municipality to the total population of the parish. Where chain stores are outside incorporated municipalities the parish shall retain a sum based on the ratio that the population of the parish outside incorporated municipalities bears to the total population of the parish.</td>
<td>La. Const. Art. XIV, ¶47</td>
</tr>
<tr>
<td>Chain Store Tax</td>
<td>Local governments</td>
<td></td>
<td>R.S. '47:1127</td>
</tr>
<tr>
<td>SOURCE OF REVENUE</td>
<td>AUTHORITY</td>
<td>DEDICATION</td>
<td>DESCRIPTION</td>
</tr>
<tr>
<td>----------------------------------------</td>
<td>-----------</td>
<td>------------</td>
<td>-----------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Commercial Wholesale Dealer</td>
<td>56:378</td>
<td>56:401</td>
<td>Purpose of administering, propagating, and developing fish industry, fish culture and general work of the Commission</td>
</tr>
<tr>
<td>Commercial Wholesale Dealer's agent</td>
<td>56:379</td>
<td>56:401</td>
<td>Purpose of administering, propagating, and developing fish industry, fish culture and general work of the Commission</td>
</tr>
<tr>
<td>Commercial Retail Dealer</td>
<td>56:380</td>
<td>56:401</td>
<td>Purpose of Administering, propagating, and developing fish industry, fish culture, and general work of the Commission.</td>
</tr>
<tr>
<td>Shrimp-Severance Tax</td>
<td>56:505</td>
<td></td>
<td>Louisiana Wild Life &amp; Fisheries Comm.</td>
</tr>
<tr>
<td>Commercial Fish Farmer</td>
<td>56:638.2</td>
<td></td>
<td>Louisiana Wild Life &amp; Fisheries Comm.</td>
</tr>
<tr>
<td>Hunting Preserves</td>
<td>56:651</td>
<td></td>
<td>Louisiana Wild Life &amp; Fisheries Comm.</td>
</tr>
<tr>
<td>Game Breeder</td>
<td>56:171</td>
<td></td>
<td>Louisiana Wild Life &amp; Fisheries Comm.</td>
</tr>
<tr>
<td>Building Rents</td>
<td></td>
<td></td>
<td>Louisiana Wild Life &amp; Fisheries Comm.</td>
</tr>
<tr>
<td>Source of Revenue</td>
<td>Authority</td>
<td>Dedication</td>
<td>Description</td>
</tr>
<tr>
<td>-----------------------------------</td>
<td>-----------</td>
<td>------------</td>
<td>-----------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Hunting - Sports License</td>
<td>56:104</td>
<td>56:104</td>
<td>Purpose of Administering, enforcing, and other purposes as may be determined.</td>
</tr>
<tr>
<td>Hunting Clubs</td>
<td>56:105</td>
<td>56:104</td>
<td>Purpose of Administering, enforcing, and other purposes as may be determined.</td>
</tr>
<tr>
<td>Trapper</td>
<td>56:252</td>
<td></td>
<td>Louisiana Wild Life &amp; Fisheries Comm.</td>
</tr>
<tr>
<td>Fishing - Sports License</td>
<td>56:331</td>
<td>56:336</td>
<td>Purpose of administering and maintaining hatcheries, sanctuaries, etc., and enforcement of game laws.</td>
</tr>
<tr>
<td></td>
<td>56:332</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hyacinth Control</td>
<td>56:331</td>
<td>56:331</td>
<td>Hyacinth and other water plant control</td>
</tr>
<tr>
<td>Commercial Fisherman License</td>
<td>56:376</td>
<td>56:401</td>
<td>Purpose of administering, propagating and developing fish industry, fish culture and general work of the Commission</td>
</tr>
<tr>
<td>Commercial Net License</td>
<td>56:376</td>
<td>56:401</td>
<td>Purpose of administering, propagating and developing fish industry, fish cultu and general work of the Commission.</td>
</tr>
<tr>
<td>Commercial Fish Vessels</td>
<td>56:376</td>
<td>56:401</td>
<td>Purpose of administering, propagating and developing fish industry, fish cultu and general work of the Commission.</td>
</tr>
<tr>
<td>SOURCE OF REVENUE</td>
<td>AUTHORITY FOR LEVY</td>
<td>DEDICATION LEGAL CITATION</td>
<td>DESCRIPTION</td>
</tr>
<tr>
<td>--------------------------------</td>
<td>--------------------</td>
<td>---------------------------</td>
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</tr>
<tr>
<td>Commercial Non-Resident Minnow Dealer</td>
<td>56:634</td>
<td>56:636</td>
<td>Enforcement and other expenses of the Commission</td>
</tr>
<tr>
<td>Motorboat Registration</td>
<td>34:851.4</td>
<td>34:851.16</td>
<td>Purpose of administering, enforcement, and other purposes of the Commission.</td>
</tr>
<tr>
<td>Shell Severance Tax</td>
<td>56:1101</td>
<td>56:458</td>
<td>Establishment, administration, maintenance and upkeep of oyster seed grounds and planting propagation, cultivation, policing, preservation, and distribution of oysters.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>56:540-541</td>
<td>Administration &amp; enforcement of commercial seafood laws &amp; to the construction, purchase, etc. of property &amp; equipment.</td>
</tr>
<tr>
<td>Oil and Gas</td>
<td>56:631</td>
<td>56:631</td>
<td>Purpose is for the protection, maintenance operation and development of such areas or for the acquisition of other such areas.</td>
</tr>
<tr>
<td>Sulphur</td>
<td>56:631</td>
<td>56:631</td>
<td>Same as for Oil and Gas</td>
</tr>
<tr>
<td>Salt</td>
<td>56:631</td>
<td>56:631</td>
<td>Same as for Oil and Gas</td>
</tr>
<tr>
<td>Bonuses</td>
<td>56:631</td>
<td>56:631</td>
<td>Same as for Oil and Gas</td>
</tr>
<tr>
<td>Trapping Leases</td>
<td>56:631</td>
<td>56:631</td>
<td>Same as for Oil and Gas</td>
</tr>
<tr>
<td>Sale of Furs</td>
<td>56:631</td>
<td>56:631</td>
<td>Same as for Oil and Gas</td>
</tr>
</tbody>
</table>
### DEPARTMENT OF PUBLIC SAFETY
#### DIVISION OF STATE POLICE

**MEANS OF FINANCING:**

State Appropriation - Portion of Budget received from State General Funds

**Department of Highways** - $10,000,000,000/Overhead/Expenditures by State Police, which is received to State Treasurer to be credited to the General Highway Fund, payable in equal monthly installments for the purpose of paying its obligation costs in enforcing the restrictions contained in Subsection N of Title 23 of the 1966 Budget Act to the State Treasurer.

**Drivers' License Division** - $5.50 of all regular drivers' licenses sold.

**Act 393 of 1970** - $2.00 of each $6.00 Overhead Permits to be utilized by the Division of State Police in granting, amending, and enforcing the provisions of this Chapter.

**Act 150 of 1956** - $1.00 fee for Stamping Serial Numbers on Trailers.

**Pass., of Fin., Miscellaneous - R. L. Polk and rec. for listing of names and addresses furnished by State Religious,**

**Insurance Recovery** - Monies received from Insurance Companies (various) for sponsors which were completed demolished.

**Act 405 of 1960** - Sale of Motor Vehicle Permits for Inspection Stations and Sale of Motor Vehicle Inspection Stickers. $10.00 Permit per Station and $0.25 per sticker.

**Excess Fees** - $25.00 for recording of overuse trailers and other vehicles.

**Accident Reports & Photos** - $2.10 for cost of accident reports, $0.05 per print for photos (per each of all prints available).

**Act 154 of 1960** - The commissioners is authorized to withhold as much of the title certificate fees as is necessary to defray the cost of administering the Vehicle Certificate of Title Law and to pay the additional expense incurred in manufacturing vehicle registration collector license plates. The next one million one thousand thousand dollars ($1,100,000.00) of the fees collected is to be dedicated to the Dept. of Public Safety to be used for an additional force on one hundred state troopers and for the operation and maintenance of additional state police vehicles and equipment for said troopers. Any surplus funds are to be transferred to the state treasury to be placed in the general fund.

**After passage of this bill, any trooper who works over 40 hours a week shall be paid at the rate of time and one-half their rate of pay.**

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### DEPT. OF PUBLIC SAFETY
#### DIVISION OF STATE POLICE

**MEANS OF FINANCING:**

**Act 312 of 1970** - Explosive License. The fees collected for such licenses and permits are hereby appropriated for the use of the Director of Public Safety in the administration of this Chapter, and shall be deposited in an explosive trust fund to be set up in the office of the State Treasurer.

**Act 314 of 1970** - Delinquent Penalties, owner or operator of a motor vehicle who has received a written notice from any authorized city officer and such other officers and employees of the departments of the director of the city designated. Said notice shall require the officer and such other officers and employees of the department the certificate of inspection and approval shall be obtained within five days of issuance. Any person or operator of a motor vehicle, omitting a certificate of inspection and approval after the expiration of the said five days, shall pay a late penalty of $5.00 in addition to the cost of such notice or fees in connection with the issuance of such certificate of inspection.

**Impounding Fee** - Impounding fees for animals impounded by State Police, $5.00 per animal.

**Lafourche Parish Police Jury** - $20,000.00 for rental of Office Space at Troop M.

**LCLE Funded Training School and Conferences** - Monies received from Louisiana Commission on Law Enforcement for State Police personnel attending various Training Schools and Conferences.

**O D R Fees - Online Drivers Records** which are collected by Drivers' License Division, budgeted by 9-7 only.

**Emergency Employment Act Fees** - Unemployment received for employees hired under EDA, collected between 3-1-67 and 6-30-72 pursuant to Act 90 of 1967. The sum of $40,000,000 shall be transferred to the State Treasurer to the Dept. of Public Safety, Div. of State Police and which shall be used by said division solely for the purchase of equipment, and with the exception of monies collected under Subsection C of Section 1306 of Title 23 of Revised Statutes of 1950.

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### DEPARTMENT OF PUBLIC SAFETY
#### DIVISION OF STATE POLICE

**MEANS OF FINANCING:**

<table>
<thead>
<tr>
<th>Department of Highways - Act 393 of 1970</th>
<th>Estimated</th>
<th>Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>$10,000,000,000</td>
<td>12,450</td>
<td>12,000</td>
</tr>
<tr>
<td>Drivers' License Division</td>
<td>394,401</td>
<td>391,693</td>
</tr>
<tr>
<td>Overhead Permits - Act 393 of 1970</td>
<td>12,000</td>
<td>12,000</td>
</tr>
<tr>
<td>Stamping Serial Numbers on Trailers</td>
<td>10,527</td>
<td>10,500</td>
</tr>
</tbody>
</table>

**Motor Vehicle Inspection Stickers & Permits**

- Act 493 of 1960
- Act 491 of 1960

**Accident Reports and Photographs**

- Title Perm. - Act 144 of 1967
- Title Perm. - Act 145 of 1967
- Title Perm. - Act 146 of 1967

**Mobile Dispatch Funds**

- Title Perm. - Act 147 of 1967
- Title Perm. - Act 148 of 1967

**Oversize and Overload Permits**

- Title Perm. - Act 149 of 1967
- Title Perm. - Act 150 of 1967

**Penalties**

- Title Perm. - Act 151 of 1967
- Title Perm. - Act 152 of 1967

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**TRUST FUND:**

**Explosive License** - Act 312 of 1970

- Act 314 of 1970

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**REVENUE NOT AVAILABLE:**

| Overweight Permits - Act 393 of 1970 | 464,343   | 400,000 |
| Overweight Permits - Act 395 of 1970 | 330,446   | 330,446 |
| Overweight Permits - Act 397 of 1970 | 110,821   | 110,821 |

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**MINUTES:**

Minutes of the third meeting of the Subcommittee on Revenues Other than Ad Valorem Taxation, of the Committee on Revenue, Finance, and Taxation of the Constitutional Convention of 1973.

 Held pursuant to notice mailed by the Secretary of the Convention on March 29, 1973.

Department of Education Building, Sixth Floor Conference Room, Baton Rouge, Louisiana.

Thursday, April 5, 1973, 8:30 a.m.

Presiding: Risley C. Triche, chairman of the Subcommittee on Revenues Other than Ad Valorem Taxation.

[476]
Mr. Tuttle also distributed reports from each operational division of the Department of Revenue, listing exemptions, discounts, and rebates covered by each of the laws administered by the department.

Emil Maciasz, assistant treasurer in the State Treasurer’s Office, listed the revenues which are dedicated and whether those dedications are by constitutional or statutory authority.

Representatives of the Louisiana Forestry Commission and the Louisiana Forestry Association were invited to explain the acreage and severance taxes.

W. M. Palmer, Jr., associate state forester, and James E. Mixon, state forester with the Louisiana Forestry Commission, explained the severance tax, its revenues and dedications. They recommended continued constitutional inclusion of forestry contracts for the protection of the fifteen contracts remaining in effect. Mr. Palmer said that the acreage tax on timber land could be removed from the constitution, providing the legislature did not raise the tax excessively.

William L. Matthews, executive director of the Louisiana Forestry Association, explained the history, dedications, and implementation of the timber severance tax, stating that this “deferred” tax provided financial stability to the timber industry. He conceded that, should all other tax measures be removed from the constitution, the association would not oppose the constitutional removal of the timber severance tax.

Mr. Matthews introduced Burton Weaver, a director of the association, member of the Forestry Commission, and timber grower. Mr. Weaver concurred with the other forestry representatives, and provided further insight on the collection of the stumpage rate as set forth in the constitution and adjusted by the Tax Commission and the Forestry Commission.

Lionel Darce, assistant director of the Intergovernmental Relations Commission, explained the procedure state agencies use to obtain federal grants. He urged the establishment of one central agency to serve as a clearing house on the status of agencies’ applications for federal aid and for information on federal funds. He reported that there was presently a half million dollars of federal funds unaccounted for by one agency, exemplifying the need for a central agency.

Mr. Darce was asked to provide data on southern and Louisiana receipts of federal funds in 1971-1972.

Ann Stewart, coordinator of federal programs for the Department of Education, described the variety of federal educational grants available to state and local governments, and the various limitations applicable to those funds.

Agreeing with Mr. Darce, Ms. Stewart said she saw no reason
why an agency such as he described should not be included in the constitution.

Ms. Stewart agreed to supply the subcommittee with information on how other states, and particularly Oregon, determine the availability of federal funds.

Following the presentations, the subcommittee discussed the options for drafting proposed constitutional articles, and agreed to proceed with the drafting following the next scheduled committee meeting in New Orleans.

The staff was asked to set an agenda for a public hearing in New Orleans on Saturday, April 14, 1973.

Mr. Morris was asked to begin drafting proposals for the subcommittee's consideration at its next daylong meeting.

He was also requested to outline the methods of modifying, updating, and generalizing existing constitutional provisions, as well as recommending the inclusion or exclusion of specifics.

The staff was asked to distribute to those absent the material reviewed during the meeting.

There being no further business, the meeting was adjourned.

Risley C. Triche, Chairman

Minutes of the fourth meeting of the Subcommittee on Revenues Other Than Ad Valorem Taxation of the Committee on Revenue, Finance, and Taxation of the Constitutional Convention of 1973

Held pursuant to notice mailed by the Secretary of the Convention on April 19, 1973

Committee Room 10, State Capitol

Baton Rouge, Louisiana

Friday, April 27, 1973, 2:00 p.m.

Present: Risley C. Triche, Chairman

Dr. Claude Maubernet

Senator J. D. Oe Blieux

Charles Slay

John Clyde Fontenot

Aubrey B. Newton

J. A. McDaniel

Walter J. Champagne, Jr.

Senator Samuel B. Hunez, Jr.

Arthur J. Planchard

The meeting was called to order at approximately 2:00 p.m. by the chairman. Following the roll call, minutes of the March 27, 1973 and April 5, 1973 subcommittee meetings were distributed to the members. Mr. Planchard moved to dispense with the reading of the minutes. Without objection the motion carried.

The minutes were adopted without objection.

The chairman asked for suggestions as to how to proceed in directing the staff to draft proposals for the subcommittee's consideration at its next meeting.

Mr. Champagne asked that Article III, Section 25.1 regarding the two-thirds legislative vote on tax matters be retained in the constitution and that this be the first matter for consideration.

Mr. Planchard moved that the staff be directed to draft such a proposal, retaining the two-thirds legislative vote on tax matters. Mr. McDaniel seconded. There being objections, a roll call vote was called:

Yeas

Fontenot

McDaniel

Champagne

Planchard

Triche

Nays

Maubernet

Newton

Slay

The motion carried five to three.

The subcommittee further decided to have Article III, Section 8 incorporated with Article III, Section 25.1, which both deal with the legislative two-thirds vote on tax matters.

Mr. Newton moved to defer action on limiting the legislature to fiscal sessions in odd-numbered years. Without objection, the motion carried.

The Royalty Road Fund, Article IV, Section 2, was discussed.

Mr. Planchard asked what the status of the staff's study was on determining what provisions could be deleted, left in the statutes, or were obsolete.

-2-
Mr. Champagne pointed out that the Royalty Road Fund was one issue of the type which he envisioned coming under a two-thirds legislative vote, should the fund be deleted from the new constitution.

At Mr. Newton's suggestion, the subcommittee decided to direct the staff to provide opinions on what would happen to agencies, or funds, or any matters deleted from the constitution.

Mr. Triche suggested that the subcommittee be directed to compile research on the Royalty Road Fund, Article IV, Section 2, and that the staff submit one proposal eliminating the provision from the constitution and that another be rewritten to include simply the dedication to the parishes of the ten percent of the royalties, guaranteeing those parishes presently receiving the funds protection on their outstanding bonds. He further suggested that, along with the proposals, the staff be directed to supply information on the present condition of the Royalty Road Fund.

Mr. Slay asked if there was a way to list all of the present dedications in one paragraph of the new constitution.

Following further discussion, Mr. Slay moved that the staff be directed to rewrite the article to simply provide that the ten percent Royalty Road Fund shall be dedicated to the parishes without restrictions and that the legislature authorize the bonding of it. Mr. Champagne seconded the motion.

Senator De Blieux voiced opposition to the inclusion of the Royalty Road Fund in the constitution, but said he favored the fund in principle.

On a roll call vote, the motion carried eight to one.

Yeas   Nays
Slay    De Blieux
Mauberret Fontenot
Newton
McDaniel
Champagne
Planchard
Triche

Following discussion on Article VI, Section 2, concerning the acreage tax, Mr. Planchard moved that the staff be directed to draft a provision retaining the acreage tax as provided for in the first paragraph of the section.

The subcommittee then considered Article VI, Section 22(A).

Senator Nunez moved that the $3.00 license tax on private automobiles be retained in the constitution. Mr. Slay seconded.

Senator De Blieux and Mr. Triche voiced objections, but the motion carried.

Mr. Planchard suggested that the article be rewritten by the staff, eliminating the many monetary limitations. Mr. Triche suggested that the staff rewrite the provision on the General Highway Fund including the taxes levied by the legislature on gasoline, benzine, naphtha, kerosene, explosives, and other motor fuels as presently prescribed in the article, but eliminating the monetary restrictions.

Senator De Blieux offered a substitute motion to have the staff draft a proposal deleting Article VI, Section 22 from the constitution, with a recommendation to the legislature to continue the General Highway Fund.

On a roll call vote on Senator De Blieux's substitute motion, the count was favorable five to four, with one abstention.

Yeas   Nays   Abstaining
De Blieux    Nunez   Mauberret
Newton    Slay
McDaniel    Fontenot
Champagne    Planchard
Triche

Mr. Champagne moved to reconsider the motion to retain the $3.00 automobile license tax.

Mr. Slay offered a substitute motion to include the $3.00 license in the constitution. Senator Nunez seconded.

On a roll call vote, the motion carried seven to three:

Yeas   Nays
Nunez    De Blieux
Slay     McDaniel
Mauberret   Triche

The subcommittee determined that dedications included in the General Highway Fund were out of the purview of the subcommittee's responsibilities.

Mr. Champagne moved that Article VI, Section 4, the gasoline tax, be deleted from the constitution. Mr. McDaniel seconded.

However, following discussion, the subcommittee without objection decided that the staff should draft a provision in two ways: 1) One proposal should completely eliminate the gasoline tax from the constitution; and 2) that another proposal authorize the gasoline tax and its dedications, but eliminate all other restrictions now included in the article.

On the roll call vote, the motion carried with seven

Yeas   Nays
De Blieux    Fontenot
Slay     Newton
Mauberret
Planchard
McDaniel
Champagne
Triche

Senator De Blieux moved that only the first sentence of Article X, Section 1, dealing with the taxation power of the legislature be included in the constitution, and that the staff be so instructed to draft a provision. Mr. Champagne seconded. Without objection, the motion carried.

Senator De Blieux moved that the staff be directed to draft a provision on the income tax essentially as Article X, Section 1, Paragraph 2 reads, but limiting the income taxing powers only to the state government.

On the roll call vote, the motion carried with seven

Yeas   Nays
De Blieux    Fontenot
Slay     Newton
Mauberret
Planchard
McDaniel
Champagne
Triche

Mr. Slay moved, Mr. Planchard seconded, that Article X, Section 1, Paragraph 3 on reforestation, be deleted from the constitution.
and that the staff be directed to draft such a proposal. Without objection, the motion carried.

The subcommittee decided to instruct the staff to delete Article X, Section 1.1 dealing with income tax exemptions for armed forces personnel in Viet Nam.

Mr. Newton moved to delete Article X, Section 1, Paragraph 5 concerning the timber severance tax.

Mr. Slay offered a substitute motion to defer action on the timber severance tax and classification of forest lands to the Subcommittee on Ad Valorem Taxes meeting as a Committee of the Whole. Without objection, the motion carried.

-6-

Mr. Newton moved that the staff be directed to draft a proposal providing for the inheritance tax (Article X, Section 7) but eliminating the rate limitations or specifications. Senator De Blieux seconded. Without objection, the motion carried.

Senator De Blieux moved that Article X, Section 8 dealing with license taxes be deleted from the constitution, and that the staff be so directed to draft a proposal. Mr. McDaniel seconded. Without objection, the motion passed.

Mr. Newton moved to delete Article X, Section 9, dealing with out of state banks from the constitution, and that the staff be so directed to draft a proposal stating such. Without objection, the motion carried.

Mr. Planard moved that the provision for process to restrain and the collection of taxes be retained essentially as stated in Article X, Section 10, and that the staff be directed to draft such a provision. Senator De Blieux seconded. Without objection, the motion carried.

Mr. Newton moved to delete the $1.03 limitation on sulphur from Article X, Section 21, and that the staff be directed to rewrite the article thusly. Mr. McDaniel seconded. Without objection, the motion carried.

Senator De Blieux moved that the last sentence of the first paragraph of Section 21 be deleted: "No severance tax shall be levied by any parish or other local subdivision of the state." Mr. Newton seconded. Messrs. Triche and Planard objected.

-7-

Mr. Fontenot offered a substitute motion to defer action on the matter. Mr. McDaniel seconded. Mr. Triche objected.

On a roll call vote on Mr. Fontenot's substitute motion, the motion failed to pass.

<table>
<thead>
<tr>
<th>Yeas</th>
<th>Nays</th>
</tr>
</thead>
<tbody>
<tr>
<td>De Blieux</td>
<td>Slay</td>
</tr>
<tr>
<td>Mauberret</td>
<td>Newton</td>
</tr>
<tr>
<td>Fontenot</td>
<td>Planard</td>
</tr>
<tr>
<td>McDaniel</td>
<td>Triche</td>
</tr>
</tbody>
</table>

On a roll call vote, Senator De Blieux's motion failed to carry on a vote of five to three:

Mr. Planard moved to retain the words: "No severance tax shall be levied by any parish or other local subdivision of the state." Mr. Slay seconded.

The motion carried without objection.

Mr. Slay moved that the first sentence of the second paragraph of Section 21, (excepting the words "nor shall any additional value be added to the assessment of land" which were determined to be out of the subcommittee's purview to consider) be retained essentially as it is presently in the constitution, and that the staff be directed to draft such a provision. Mr. Planard seconded. On a roll call vote, the motion carried by a vote of six to three:

<table>
<thead>
<tr>
<th>Yeas</th>
<th>Nays</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nunez</td>
<td>De Blieux</td>
</tr>
<tr>
<td>Slay</td>
<td>Newton</td>
</tr>
</tbody>
</table>

-8-

Senator Nunez moved to reconsider the vote on removal of the $1.03 limitation on sulphur severance rate (Article X, Section 21), asking that at a later time he be allowed to present a statement pertaining to the limitation. Without objection, the motion carried.

Mr. Newton moved for adjournment until 9:00 a.m. Saturday, April 29, 1973, when the full committee was to reconvene. Without objection, the motion carried and the meeting was adjourned at 4:35 p.m.

Rasley C. Triche, Chairman

Minutes of the meeting of the Subcommittee on Revenue, Other Than Property Taxes of the Committee on Revenue, Finance and Taxation of the Constitutional Convention of 1973

Held, pursuant to notice mailed by the Secretary of the Convention on May 3, 1973

Committee Room 10, State Capitol Building, Baton Rouge, Louisiana,

Thursday, May 10, 1973, 10:00 a.m.

Presiding: Rasley C. Triche, Chairman of the Subcommittee on Revenue, Other Than Property Taxes.
A motion was offered, relative to inheritance and donation taxes, by Mr. Champagne and unanimously adopted; thus, the committee referred this matter to the Committee on Legislative Liaison and Transitional Measures.

Senator Nunez offered a motion to leave the sulphur tax rate (Article X, §21) in the constitution. Senator DeBlieux offered a substitute motion that the rate of tax on sulphur be referred to the Committee on Legislative Liaison and Transitional Measures. The substitute motion was adopted.

The committee requested the research staff to draft a proposal with respect to Article X, §21 deleting the rates set out therein for its consideration at the next meeting.

The meeting adjourned at 4:00 p.m.

CHAIRMAN

VICE-CHAIRMAN

1 Constitutional Convention of Louisiana of 1973
2 COMMITTEE PROPOSAL NUMBER
3 Introduced by
4 A PROPOSAL
5 For taxing power and specific tax.
6 PROPOSED SECTION:
7 Article ____, Section ____ Power to Tax and Income Tax
8 Section _____. The power of taxation shall be vested by
9 the legislature; shall never be surrendered, suspended
10 or contracted away; and all taxes shall be uniform upon
11 the same class of subjects throughout the territorial limits
12 of the authority levying the tax, and shall be levied and
13 collected for public purposes only.
14 Income taxes. Equal and uniform taxes may be levied
15 upon net incomes and may be graduated according to the
16 amount of net income. The power to tax incomes shall be
17 restricted to the state.
18
19 Source: La. Const. of 1921, Article X, Section 1
20
21 Comment: Provides for power of taxation, vesting general
22 power in the legislature, with limitations on use, 
23 delegation, and application; further provides for equal 
24 and uniform taxes upon net incomes with restriction that
25 power to tax income shall be restricted to the state.

CC-252
1 Constitutional Convention of Louisiana of 1973
2 COMMITTEE PROPOSAL NUMBER
3 Introduced by
4 A PROPOSAL
5 To provide for the collection and refund of taxes.
6 PROPOSED SECTION:
7 Article ____, Section ____, Collection and
Refund of Taxes

Section ____. The legislature shall provide against the issuance of process to restrain the collection of any tax and for a complete and adequate remedy for the prompt recovery by every taxpayer of any illegal tax paid by him.

Source: La. Const. of 1921, Article X, §18.

Comment: This provision substantially is the same as Article X, Section 18 of Louisiana Constitution of 1921.

PROPOSED:

CC-254

1 Constitutional Convention of Louisiana of 1973
2 COMMITTEE PROPOSAL NUMBER
3 Introduced by
4 A PROPOSAL
5 To provide for the levy of an additional tax on gasoline and motor fuels and the disposition of proceeds thereof.
6 PROPOSED SECTIONS:
7 Article ____. Section ____. Additional Gasoline or Motor Fuel Tax
8 Section ____. In addition to the tax levied on gasoline or motor fuel under the authority of Article VI, Section 22 of the Constitution of Louisiana of 1921 as amended, a tax of one cent per gallon shall be levied on all gasoline or motor fuels, as defined by the legislature, when sold, used, or consumed in the State of Louisiana for domestic consumption.
9 Article ____. Section ____. Disposition and Allocation of Collection
10 Section ____. As provided by the legislature, the collector of revenue shall forward a collection of additional motor fuel tax of one cent per gallon, less expenses withheld, to the treasurer of the State of Louisiana to be credited as follows:
11 A. One-half of the amount received by the treasurer shall be credited to the General Highway Fund;
12 B. One-twentieth of the amount so received shall be credited to the State and local Contingent of the Lake Charles Highway and Transportation District.
13 C. Nine-twentieths of the amount so received by the treasurer shall be credited to the Disbursement Fund of the Parishes.
14
15 Source: New

Comments: Provides for levy of one cent per gallon tax on gasoline and motor fuels in addition to that levied by Louisiana Constitution of 1921, Article VI, §22, and provides for dedications of collections. [See La. Const. of 1921, Art. VI-A, §5 1, 5]

If Article VI-A of Louisiana Constitution of 1921 were eliminated, no change in legal effect would occur if legislation similar to the present Article VI-A were enacted.

CC-255

1 Constitutional Convention of Louisiana of 1973
2 COMMITTEE PROPOSAL NUMBER
3 Introduced by
4 A PROPOSAL
5 For limitation of legislative power.
6 PROPOSED SECTION:
7 Article ____. Section ____. Limitation
8 Section ____. The legislature shall impose on annual license tax of three ($3.00) dollars for each automobile used for private purposes.
9
10 Source: La. Const. of 1921, Article 6, Section 22
11
12 Comments: Provision prevents legislature from levying license tax exceeding three ($3.00) dollars per automobile used for private purposes.

CC-256

1 Constitutional Convention of Louisiana of 1973
2 COMMITTEE PROPOSAL NUMBER
3 Introduced by
4 A PROPOSAL
5 For the practice of forestry.
6 PROPOSED SECTION:
7 Article ____. Section ____. Forestry
8 Section ____. Forestry shall be practiced in this state, and the legislature may en. it law therefor.
9
10 Source: La. Const. Article VI, Section 2, paragraph 1 (1921).
11
12 Comments: This provision is substantially the same as the first paragraph of Article VI, Section 2. It provides for the practice of forestry and authorizes the legislature to make provisions therefor. The section deletes the provision of Section 2 which authorizes parish governing authorities to levy acreage taxes not exceeding two cents per acre.

CC-257

1 Constitutional Convention of Louisiana of 1973
2 DELEGATE PROPOSAL NUMBER
Introduced by

A PROPOSAL

for dedication of royalties from mineral leases granted
by state to the Royalty Fund.

PROPOSED SECTION:

Article ___, Section ___. Royalty Fund

Section ____. From all mineral leases to be
granted by the state, as well as from all mineral
leases heretofore granted by the state or state-
owned land, lake and river beds, and other water
bottoms belonging to the state or the title to
which is in the public for mineral development,
ten per cent (10%) of the royalties received by
the state from such lease or leases shall be placed
as
by the state treasurer, or received, in a special
fund to the credit of the parish from which the
production is had, said fund to be known as the
Royalty Fund (previous Royalty Fund Fund); and
provided that in order to provide money for semi-annual
basis
the parish, the legislature shall grant the authority
and power to the governing authority of the parish
at
fund into bonds of said parish a portion of the
royalties which are thus credited to it in said
Royalty Fund.


Comment: The dedication of ten percent (10%) of the
royalties received from mineral leases granted by the
state and the power of the legislature to authorize
the bonding of funds are retained in provisions
relating to the expenditure of the fund within
the parish and the Royalty Fund.

bidding procedures are eliminated. Since the use of the
fund by the parish is not specified, the name
was changed to Royalty Fund.

CC- 258

Constitutional Convention of Louisiana of 1973

COMMITTEE PROPOSAL NUMBER

Introduced by

A PROPOSAL

Relative to the vote required to levy or increase any state
tax; amendments; conference committee reports.

PROPOSED SECTION:

Article ___, Section ___. State Taxes, Levy or Increase
in Rates; Amendments; Conference Committee Reports;
Vote Required

Section ____. Notwithstanding any provision elsewhere
contained in this constitution to the contrary, state
taxes, hereafter levied, increases in the rate or measure
of state taxes now imposed, amendments to bills levying
new state taxes or increasing the rate of any state tax
now or thereafter imposed and adoption of reports of commit-
tees of conference on any such bills or measures shall
the favorable
require a vote of two-thirds of the members of the legis-
late, evidenced by a recorded vote.

Source: La. Const. of 1921, Article IV, Section 1(a).

Comment: No substantive change. Since both source provisions
are concerned basically with the same subject, consolidation
is recommended.

NOTES

Staff Memo No. 1-6 on Subcommittee on
Revenues other than Property Tax are reproduced below in Chapter II.

[483]
"... seventy-five percent of the proceeds of the
surveys on rural lands sold in each parish shall
be returned to the State Treasurer to the governing
authority of the parish from which the lands is sold."

WHEREAS the Vernon Parish Police Jury considers this method of
allocation to be just and that the funds derived from this source amount to
more than $70,000 per year for Vernon Parish,

WHEREAS, the Jury is of the opinion that the method of allocation
is just and is of great benefit to the local governing authorities of the
parishes from which the timber is produced;

SECTION 1: NOW, THEREFORE, BE IT RESOLVED by the Vernon Parish
Police Jury in regular session that the Jury hereby ordains and
approves that part of Section 1, of Article 10 of the Louisiana Constitution
relative to the disposition of surveys tax on timber and particularly
the method of allocation or distribution of such tax -- 75% to the governing
authority of the parish from which timber is sold, 25% to the State General
Fund.

SECTION 2: BE IT FURTHER RESOLVED, etc. That the Vernon Parish
Police Jury hereby urge the Constitutional Convention to retain said
provisions in the constitution to be adopted by the Convention and presented
to the people for their approval.

SECTION 3: BE IT FURTHER RESOLVED, etc. That a copy of this
resolution be transmitted to the Convention through our local delegations, and
not such additional copies of this resolution be distributed as may be deemed
necessary and appropriate by the President or Secretary of this Jury.

Resolution offered by Mr. Pete Don, Candidate for
Vernon Parish Sheriff, 4-6-1972

Noted by 122, Vernon Parish Police Jury

By name is P. E. Prunobis, a member of the Constitutional
Convention from the 30th representative district, and today
I am representing the Vernon Parish Police Jury.

The purpose of my being here is to respectfully request
that you consider leaving the forest land taxation law. Article
10, § 1, in the proposed constitution as it is now written
in the present document. A great deal of research and study
was done before it was submitted to the convention in 1956. So that you may fully understand my sincere
interest in this matter, I would like to briefly review the
situation that created the need for such a law. Since Vernon
Parish is a typical pine-timber parish and my home, I will
use it as an example.

Gentlemen, please keep in mind I am discussing timber
lands only.

Vernon, like several other parishes, was covered with the
finest stand of virgin long leaf yellow pine that ever existed.
It was considered one of the finest stands of timber in Louisiana at the
time of this forest's age. The railroad reached the area in the early 1900s,
and the trains began their long journey to transport the logs to the
mill in the town. Large sawmills, moved in and commenced operations. In a matter of a few years, these
large mills were scattered over the entire area, and at any
place in Vernon Parish, in the early morning, the whistle of
more than one mill could be heard. Such prosperity was unheard
of... Everybody who wanted to work, and at that time, the people
did, had a job which also provided an income to support an increased standard of living. The First State Bank
of Vicksburg was the strongest bank in a town of that size
south of the Mississippi River.

The standing timber of which there seemed to be an
immeasurable supply, and what was needed was a way to
utilize this abundant timber. The mills, however, had a
worse problem. They were being forced to close down owing to
the fact that the supply of timber was not being
replaced. The mills had to find new sources of
supply, and this was hard to accomplish. The problem was
that the state government was not providing
adequate funds to support the mills. The mills
were in a desperate position and in 1924, a desperate
measure was taken. Representative John Dickey from Vernon Parish
introduced House Bill 156, a most unusual law to permit owners to

[484]
In 1952, when I was elected to the House, the situation which I have attempted to describe had changed very little. We still had hundreds of thousands of acres of demuned pine lands. Even though the ownership had changed, very little of the land was in production. The U.S. Army had commenced large scale maneuvers in 1940 and the next year started building Camp Polk. Thus the army provided the chief support of our economy.

Some of the pioneers of reforestation, such as Mr. Hartner, had proven that our timberlands could be successfully reforested but for some reason, it had not been done in our area. When we had timber, we enjoyed prosperity, but when our timber was gone, so was our prosperity. Do I second evident that to restore prosperity, we must produce timber again. Of this I was convinced, so I decided this situation presented the opportunity to render a real service to the people in areas so affected.

After taking office, I personally contacted professional foresters and large land owners in an effort to learn how an extensive program of reforestation could be accomplished. Naturally, the foresters were anxious to see such a program commenced and they assured me of their full cooperation. I did get from some of them that the Southern Forest Experiment Station of the U.S. Forest Service was the logical agency to do the research that was desired to determine success in such a venture. From this, I knew that these forests, if properly protected from fires that could destroy them now, the time, would eventually be in the hands of other people.

I suggest tax exemption, just some positive assurance that they could plant the area, which is itself in a small investment, and not be taxed out of business before realizing an income from such a venture.

Frankly, I had no idea how such protection could be provided, so I turned to the best legal mind, it has been my privilege to know. I feel there is one name I should mention. The late Judge W. W. Thompson, the closest friend I have ever known and a man whose integrity and whose legal judgment I still have never questioned. He is the one who assured me that the whole idea was good, and it was good for all the people of the cut-over pine area. He, I am sure, wrote the bill, but he did conceive the idea on which it was written. After several outstanding lawyers had read and offered suggestions as to how this resolution could be improved, I took it back to him for his final approval before it was introduced. Almost the entire forest industry in Louisiana studied and commented on this proposal. It was generally well received by the industry. Many people over a period of several months had participated in the preparation of this resolution and when introduced, in the regular session of 1954, many people actively supported its passage.

After passage by the Legislature, it was submitted to the people of Louisiana who overwhelmingly approved it by about a 3 to 1 vote. As I mentioned earlier, there was a need for more research on planting. The forest industry in cooperation with the U.S. Forest Service were successful in having a $300,000 appropriation included in the annual budget of the U.S. Forest Service.

When the House Appropriations Committee of Congress struck the entire amount out of the bill, we were given a Royal McShane, which later provided a real inspiration for me. At the suggestion of Mr. B. H. Connelly, I contacted Sen. Elmore who arranged with Senator Adams for me to go before the Senate Appropriations Committee. That was the last time I ever went for a bill. When our appropriation was finally struck, the Senate Appropriations Committee was so moved that they decided to retain the bill, as it was in the present document.

This Forest Land Taxation Law applies to land only. In no way does it affect other lands. When enacted, it took absolutely nothing off the tax rolls. I believe it helpful to review the Severance Tax on Natural Resources, Article X, Section 21, as it appears in the 1921 Constitution. In order to better understand the reasons for our recommendation, I believe it helpful to review

S SEVERANCE TAX ON NATURAL RESOURCES ARTICLE X, SECTION 21

The Mid-Continent Oil and Gas Association recommends that Article X, Section 21 be retained as presently written in the 1921 Constitution.
the (1) Constitutional and legislative history of the severance tax, (2) what it means to the people of this State and (3) its compatibility with oil and gas principles, as they have evolved over the past seventy years.

(1) History of the Severance Tax:

The severance tax, as understood today, was initially enacted with adoption of the 1921 Constitution. Actually, the severance tax was authorized in the 1898 Constitution and first levied as an occupational license tax in 1910 at the rate of 2/5 of one cent per barrel of oil and 1/5 of one cent per 10,000 cubic feet of gas.

After adoption of the 1921 Constitution, the Legislature, in accordance with the authority granted by the Constitution, has, on eight separate occasions in 1922, 1928, 1936, 1940, 1948, 1958 and twice in 1972 enacted legislation either increasing the tax rate or changing the basis of the tax.

The specifics of the legislative change are not as significant as the frequency of change. This equates to legislative action once every 6 1/2 years. In other words, the severance tax principles adopted by the 1921 Constitution, have afforded the Legislature flexibility to treat -- and the Legislature has treated -- with severance taxes as State needs dictate. Although the authority originates in the Constitution, the Legislature levies the tax subject to certain specific principles and prohibitions spelled out in the Constitution. The principles and prohibitions are not only compatible with and complement oil and gas law, but have served the people over the past years.

Our industry has -- and probably will again -- disagree as to the appropriate rate of the tax imposed by the Legislature on the severance of oil and gas, but we have no quarrel, indeed, we strongly support and urge the retention of the current framework of severance taxation without change.

(2) What Severance Taxes Mean to the People:

For eight months of this fiscal year, the severance tax on oil and gas has produced $173,849,744.51, almost a 10% increase over the corresponding period for the previous fiscal year. This tax money is distributed to three recipients:

(a) The public school fund
(b) Free textbook fund
(c) The parish in which the hydrocarbons are produced

Severance tax income has, for more than 50 years, been dedicated to education. LSU was the chief beneficiary from 1921 through 1928, when it secured other sources of recurring income. Severance taxes have financed the State's free school book program, continuously, since 1928. Parish school-boards began receiving a portion of the tax in 1923, and still do so. Constitutional dedication of all severance tax income, other than that for textbooks and parish allocations to the public school fund, came in 1934 and is in effect today.

The basis for allocation of severance tax receipts certainly is one of the most equitable in Louisiana's financial management. About $6.5 million is returned to the parish in which the resource was produced; $7.5 million goes for the purchase of textbooks and school supplies for all school children -- private and public. The remainder -- about $235 million this fiscal year -- will go into the public school fund, to be allocated to every public school system in the State.

(3) Severance Tax Principles Incorporated in the Constitution Are Compatibie With Oil and Gas Law:

The authorization, granted by the people in Article X, Section 21 of the Louisiana Constitution, to the Legislature to levy a severance tax is subject to certain well-founded principles spelled out in the Constitution including who should bear the tax, what basis the tax may be predicated on, where and when the tax shall accrue. Also, Article X, Section 21 specifies certain prohibitions, including the prohibition that no additional value be added to the assessment of land by reason of the presence of oil and gas. These principles in our Constitution that the tax shall be paid proportionately by the owners, thereof, that the tax shall accrue at the time and place of severance, and the prohibition that no additional value be added to the assessment of land due to the presence of oil and gas, are compatible with and complement Louisiana oil and gas law. Our association believes it a fair statement, that the vast majority of oil and gas attorneys feel our courts have harmonized a body of oil and gas law which is consistent with civilian principles long embedded in our property and contract law.

Certainly, the most equitable method of levying a severance tax is to impose and collect it, as provided in Article X, Section 21, "proportionately from all owners, thereof."

The Constitution expressly authorizes the Legislature to predicate a severance tax on volume or value. In the past the Legislature has utilized both volume and value in fixing the tax rate. This flexibility is another virtue afforded by Article X, Section 21, to the Legislature.

The imposition of the tax at the "time and place" of severance are principles particularly suited to Louisiana law.
it is elementary in Louisiana that oil and gas must be reduced to possession to become the subject of ownership. It is at the time of severance or when reduced to possession that oil and gas is owned, and then simultaneously, by the landowner and producers. An interest in minerals merely carries with it the right to explore. In a landmark case, our Supreme Court held that:

"The sale of an interest in the oil and gas which may be beneath the surface of a particular tract of land contains no title to any specific oil and gas, it, nevertheless, carries with it the right to make use of the surface of the land for reduction to possession of the oil and gas that may be found, and, in fact, the last mentioned is alone conveyed in such case, since it is the only right with respect to those negative products that the owner of the land, himself, can possess."

Since oil and gas are not owned while in the ground, but only at the time and at the place that they are reduced to possession, the constitutional prohibitions against the imposition of taxes to severance is legally proper. Also, it is equitable that the tax be restricted, as now in the Constitution, to the place of severance. It is at the place of severance or at the well where the true value is determined. In most cases, oil and gas are sold many miles away from the place of severance after monies have been spent to transport and make them merchantable. Our Courts have consistently recognized that value is properly determined at the place of severance. We believe that any tax levied after the point of severance is subject to attack as violative of the Commerce Clause of the U. S. Constitution.

Louisiana, in 1921, wrote into its Constitution all the experience it had gained from earlier ventures into mineral taxation. It chose -- and we think wisely -- the specific rather than the ad valorem approach. In 1938, Dr. T. M. Farris of Louisiana State University made these comments:

"The general property tax as applied to natural resources is usually badly administered. In the case in which it is administered properly, the general property tax institutes a discriminating burden on the owner of natural resource-bearing lands."

Expanding on the foregoing, he adds:

"Probably severance taxation would more nearly conserve natural resources than -- ad valorem taxes. When ad valorem rates are imposed, there would seem to be reason to expect the producers to harvest or extract these natural resources of a more valuable kind, leaving the less productive portions unworked or possibly rendered incapable of further extracting."

In this time of complicated taxation, it is refreshing to observe the simplicity of Louisiana's severance tax. By contract, an ad valorem tax on minerals, if legally proper would saddle the landowner and Revenue Department with a battery of geologists, engineers and attorneys, the cost of which, in some instances, would exceed the tax. Expense and inequities would unquestionably increase.

It should also be noted that Article X, Section 21, contains two additional prohibitions; one, that no parish or local subdivision shall levy a tax and, two, that no additional tax shall be levied on oil or gas.

This does not mean that the parishes are ignored; to the contrary. Article X, Section 21, provides for revenue participation of the parish from within which the tax is collected. Also, under Article 4, Section 2, such parishes are allocated 10% of the royalties received by the State in the form of the Royalty Road Fund.

Although Article X, Section 21, prohibits any other type tax on oil and gas, the Legislature, as previously indicated, may and consistently has, increased the rate of the severance tax. There simply is no need for a different type tax under these circumstances.

In conclusion, the severance tax: principles and prohibitions set forth in Article X, Section 21, should be retained because these principles and prohibitions:

1. Are equitable and compatible with Louisiana oil and gas law;
2. Permit the Legislature flexibility to, and it has, altered the tax to accommodate changing conditions;
3. Permit receipts to be utilized by all the people;
4. Provide ease of administration at a minimum cost;
5. Provide local government a portion of the receipts in recognition of the additional services rendered.

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MINUTES


Held pursuant to notice mailed by the Secretary of the Convention on June 4, 1973

State Capitol, Baton Rouge, Louisiana, Friday, June 8, 1973, 1:15 p.m.

Presiding: Dr. Claude Mauberret, Jr., Vice Chairman of the Subcommittee on Revenues Other Than Property Taxes

PRESENT
Chapman
Chishardy
De Bieuge
Fontenot
Mauberret
Newton
Nunez
Planchard
Slay

ABSENT
McDaniel
Triche

After the meeting was called to order by the Vice Chairman, Dr. Claude Mauberret, Jr., and a quorum was ascertained.
discussion began on the proposals presented to the sub-
committee by the staff.

Slay moved to delete "All taxes shall be uniform within
each class" on page 1, line 11 of the proposal, "For tax
structure." With no objections, the motion carried unanimously.
With this amendment, Section 1 reads, "Section 1. The power
of taxation shall be vested in the legislature and shall never
be surrendered, suspended, or contracted away; and shall be
imposed for public purposes only."

Discussion then moved to page 2, Section 5. Chehardy
asked to be recognized as opposed to the section on Limitations
on Taxing Power; Graduated Rates, Severance Tax, and Subdivisions
of the State.

In reference to the occupational license tax, De Blieux
spoke in favor of deleting it. Champagne spoke in favor of
leaving all the limitations out if one of them was going to
be left out. This statement was made in reference to page 3,
Section (C).

De Blieux moved to delete all words after the word "fuel"
on page 3, Section (C), line 3. With the deletion, the section
will read, "(C) Subdivisions of the state. Political sub-
divisions of the state shall not levy taxes on income, natural
resources, or motor fuel." Vote on the motion was as follows:

<table>
<thead>
<tr>
<th>YES</th>
<th>NO</th>
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<tbody>
<tr>
<td>De Blieux</td>
<td>Champagne</td>
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<tr>
<td>Mauberret</td>
<td>Chehardy</td>
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<td>Newton</td>
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<td>Planchard</td>
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<td>Slay</td>
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Motion failed.

Newton moved to delete Section 5(A), page 2, entirely
and substitute the words, "Income taxes. Equal and uniform
taxes may be levied upon net incomes and may be graduated
according to the amount of net income." The vote was as follows:

<table>
<thead>
<tr>
<th>YES</th>
<th>NO</th>
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<tbody>
<tr>
<td>Mauberret</td>
<td>Champagne</td>
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<tr>
<td>Newton</td>
<td>Chehardy</td>
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<td>Planchard</td>
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<td>Slay</td>
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</tbody>
</table>

Motion failed.

Fontenot moved that Natural Resources be decided by the
committee of the whole. No action was taken on this
motion.

Newton moved that Section 5(B), page 2, be left out of
the proposal. No action was taken on this motion.

Champagne moved to adopt Sections 5(A) and 5(C) on page
2. Vote on Section 5(A) was as follows:

<table>
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<tr>
<th>YES</th>
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<tbody>
<tr>
<td>Champagne</td>
<td>Chehardy</td>
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<tr>
<td>De Blieux</td>
<td>Mauberret</td>
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<td>Fontenot</td>
<td>Newton</td>
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<td>Planchard</td>
<td>Slay</td>
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</tbody>
</table>

Motion failed.

Vote on Section 5(C) was as follows:

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<th>YES</th>
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<tbody>
<tr>
<td>Champagne</td>
<td>Chehardy</td>
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<td>Fontenot</td>
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<td>Mauberret</td>
<td>Newton</td>
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<tr>
<td>Slay</td>
<td>Planchard</td>
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</tbody>
</table>

Motion failed.

Newton called for a vote to adopt Section 5(B), page 2.
The vote was as follows:

<table>
<thead>
<tr>
<th>YES</th>
<th>NO</th>
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<tbody>
<tr>
<td>De Blieux</td>
<td>Chehardy</td>
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<tr>
<td>Fontenot</td>
<td>Mauberret</td>
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<tr>
<td>Mauberret</td>
<td>Newton</td>
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<tr>
<td>Planchard</td>
<td>Slay</td>
</tr>
</tbody>
</table>

Motion failed.

The staff was asked to rewrite the proposal.
Slay moved to accept Section 2 and Section 3 as written in
the "For tax structure" proposal. The vote is as follows:

<table>
<thead>
<tr>
<th>YES</th>
<th>NO</th>
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<tbody>
<tr>
<td>Champagne</td>
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<tr>
<td>Chehardy</td>
<td>De Blieux</td>
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<td>Fontenot</td>
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<td>Newton</td>
<td>Planchard</td>
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<tr>
<td>Slay</td>
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</tr>
</tbody>
</table>

Motion carried.

A copy of the adopted Sections are attached hereto and
made a part of these minutes.

Planchard moved that Section 4 of this proposal be trans-
ferrable to the committee of the whole. With no objections, the
motion carried.

The staff asked directions from the members of the
De Blieux moved to adjourn. With no objections, the motion
carried and the meeting adjourned at 4:30 p.m.

[Signature]
Chairman

[Signature]
Vice Chairman

[Signature]
Secretary

NOTES
Copies of the adopted sections cited as
attached in the Minutes are not found in the
Committee files.

MINUTES
Minutes of the meeting of the Subcommittee
on Revenues Other Than Property Taxes of the
Committee on Revenue, Finance and Taxation
of the Constitutional Convention of 1973

Committee Room 1, State Capitol Building
Baton Rouge, Louisiana
Friday, June 22, 1973, 4:00 p.m.

Presiding: Dr. Claude Mauberret, Jr., Vice Chairman
of the Subcommittee on Revenues Other Than
Property Taxes
Present: Walter Champagne
Sen. J.D. De Blieux
Clyde Fontenot
J.A. McDaniel
Astley Newton
Sen. Samuel Nunez, Jr.
A.J. Planchar
Charles Slay

The meeting was called to order by Dr. Claude Mauberret, vice chairman, who acted in the absence of the chairman.

Jerry Hood, research staff member, informed the delegates that Sections 1, 2, 3, and 6 of CC-235 (copy attached) have been adopted by the whole committee.

A motion was made by Delegate Fontenot to refer Section 4 to the whole committee. There being no objection, it was so ordered.

Delegate De Blieux offered a motion to adopt Section 5 as written in CC-235. Delegate Slay offered an amendment to paragraph (B) of Section 5 on page 2, to read as follows: "Severance taxes shall be levied on natural resources severed from the soil or water and no additional tax shall be levied until after severed." Delegate Fontenot offered a substitute motion to adopt Section 5, paragraphs (A) and (B) as drafted in CC-235. Delegate Fontenot's substitute motion carried with an 8-1 vote by the committee.

Delegate Champagne moved for reconsideration of paragraph (C) of Section 5 of CC-235. There being no objection, it was so ordered.

Delegate Fontenot offered a motion to adopt paragraph (C) of Section 5 as was previously drafted and which read as follows: "Political subdivisions of the state shall not levy taxes on income, natural resources severed from the soil or water, or motor fuel, nor shall occupational license taxes be greater than those imposed by the state." This motion carried with a 7-2 vote by the committee.

The subcommittee then considered Article IV, Section 4, paragraphs 10 and 15 of the 1921 Constitution that were assigned to this subcommittee. Delegate Planchar offered a motion to refer these paragraphs to the Committee on Legislative Powers and Functions. There being no objection, it was so ordered.

The subcommittee then considered Article IV, Sections 13 and 18 which were also included in the Subcommittee on Public Finance's report. The chairman offered a motion to defer action on these sections until the other subcommittee's report had been heard. There being no objection, it was so ordered.

By motion of the chairman, and with no objection by the committee, Article VI, Section 20 was deleted from the 1921 Constitution and transferred to the statutes.

By motion of the chairman, and with no objection by the committee, action on Article X, Section 5 was deferred until the report of the Committee on Local and Parochial Government had been heard.

By motion of the chairman, and with no objection by the committee, Article X, Section 5.1 was deleted from the 1921 Constitution.

By motion of the chairman, and with no objection by the committee, action on Article X, Sections 6, 11, and 14 was deferred until the report of the Committee on Local and Parochial Government had been heard.

By motion of the chairman, and with no objection by the committee, action on Article XII, Sections 15 and 16 was deferred until the report of the Committee on Education and Welfare had been heard.

By motion of the chairman, and with no objection by the committee, action on Article XIV, Sections 7, 8, 14(b.2), 14(m.1), and 14(p) was deferred until the report of the Committee on Local and Parochial Government had been heard.

By motion of the chairman, and with no objection by the committee, Article XIV, Section 21 was deleted from the 1921 Constitution.

By motion of the chairman, and with no objection by the committee, Article XIV, Sections 24.6 and 24.17 were deleted from the present constitution and transferred to the statutes.

Delegate Champagne offered a motion to delete Article XIX, Section 8 from the 1921 Constitution. Delegate De Blieux offered a substitute motion for the committee to take no action. There being no objection, the substitute motion carried.

At this time a motion for adjournment was made, and there being no objection, it was so ordered.
authority in the legislature and imposed the tax only for public purposes. Remainder of the source provision is covered by the property tax provision.

Section 2. Power to Tax; Limitation

Section 2. The levy of a new tax and any increase in an existing tax shall require the favorable vote of two-thirds of the members elected to each house of the legislature, as evidenced by a recorded vote. A like vote shall be necessary for the adoption of amendments to bills proposing the same and to reports of conference committees.


Comment: Requires two-thirds vote on all tax matters, thus making no substantive change in the present law.

Section 3. Collection and Refund of Taxes

Section 3. The collection of taxes shall not be re-

strained, and procedures shall be provided for the recovery of taxes illegally paid.


Comment: This provision is substantially the same as Art. X, §18, La. Const. 1921.

Section 4. Resource Severance Fund

Section 4. Three-fourths of the timber severance tax, one-third of the sulphur severance tax, one-fifth of the tax on all other natural resources, and one-tenth of the royalties from mineral leases granted by the state shall be remitted to the governing authority of the parish from which the natural resources were severed; however, the amount of severance tax on minerals so remitted shall not exceed two hundred thousand dollars annually.


Comment: Continues the existing dedication of a portion of the revenue from severance taxes and mineral royalties to parishes from which severed. Deletes the existing requirement that limitation royalties be used for transportation purposes.

Section 5. Limitations on Taxing Power; Graduated Rates, Severance Tax, and Subdivisions of the State

Section 5. (A) Taxes on income shall be graduated according to the amount of net income.

(B) Severance taxes shall be the only tax on natural resources.

(C) Political subdivisions of the state shall not levy taxes on income, natural resources, nor motor fuel.


Comment: Provides for limitation on taxes on incomes, severance taxes, and taxing power of political subdivisions. Requires that taxes on incomes be graduated as present law does. The words "equal" and "uniform" have been eliminated since they are ambiguous when used in providing for a graduated income tax. The references to exemption have been eliminated because "...the power to exempt from taxation, as well as the power to tax, is an essential attribute of sovereignty, and are generally granted only when and to the extent that they may be deemed to conserve the general welfare. The power to exempt may be exercised in the constitution or in a statute, unless the constitution expressly or by implication prohibits action by the legislature on the subject." (See 84 C.J.S. 414-415.)

Also, reference to the income tax schedule of rates has been deleted which gives the legislature greater flexibility in establishing the tax rate and base for the state income tax schedule.

The limitation on severance taxes on natural resources represents no substantive change in the present law. The $1.00 per ton tax ceiling on sulphur is deleted since it is already statutory law. (See La. R.S. 47:633.)

The limitation on the taxing power of political subdivisions has been expanded to include a prohibition of the taxing of incomes. The prohibition against political subdivisions taxing natural resources and motor fuel represents no change in the present law.

Section 6. Annual Motor Vehicle License Tax

Section 6. The legislature shall impose an annual license tax of three dollars on automobiles for private use; on all other motor vehicles, an annual license tax based upon horsepower, carrying capacity,
or weight, any or all.


Comment: No substantial change in the law.

Section 7. Forestry
Section 7. Forestry shall be practiced in this state, and the legislature shall enact laws therefor.


Comment: This provision is substantially the same as the first paragraph of Article VI, Section 2. It provides for the practice of forestry and authorizes the legislature to make provisions therefor. The section deletes the provision of Section 2 which authorizes parish governing authorities to levy acreage taxes not exceeding two cents per acre.
4. Subcommittee on Public Finance

MINUTES

Minutes of the meeting of the Subcommittee on Public Finance of the Committee on Revenue, Finance, and Taxation of the Constitutional Convention of 1973

Held pursuant to notice mailed by the Secretary of the Convention on April 2, 1973

Senate Lounge of the State Capitol
Baton Rouge, Louisiana

Friday, April 6, 1973 10:00 a.m.

Presiding: Sen. James H. Brown, Jr., chairman

Present
Herman Lowe
Pegram Mire
Jasper K. Smith
David Conroy
Earl J. Schmitt, Jr.
Charles A. Badeaux
Frank H. Edwards, Jr.

Absent
John A. Alario, Jr.
F. D. Winchester
Jasper K. Smith
David Conroy

Following the roll call, the subcommittee granted leave without objection for Jasper K. Smith, who had requested leave by mail, and for F. D. Winchester, at the request of Pegram Mire.

Mr. Morris was asked to briefly review the material distributed to the subcommittee.

The chairman then introduced Emil Maciasz and Charles Gaiennie of the state treasurer's office. Mr. Maciasz introduced and distributed to the subcommittee flow charts, explaining in detail the functions and procedures necessary in the collection, disbursement, banking, and investment of state funds, and the agencies involved in state finance.

These charts are entitled: 1) Treasury Administration; 2) Appropriations and Appropriating Process; 3) Debt and Debt Service; and 4) Capital Outlay Budget, and are attached here-to and made a part of these minutes.

Mr. Maciasz and Mr. Gaiennie proposed five changes to be included in the new constitution: 1) that all funds flow directly to a central receiving agency, the state treasurer's office; 2) that no funds be disbursed without legislative authorization; 3) that the Bond Security and Redemption Funds be given constitutional status; 4) that no bond be issued without legislative authorization, and 5) that all dedications be eliminated.

There being no further business, the subcommittee adjourned at 1:15 p.m.

Sen. James H. Brown, Chairman

-2-

MINUTES

Minutes of the meeting of the Subcommittee on the Revenue, Finance, and Taxation Committee

State Capitol, Baton Rouge, Louisiana
Saturday, March 17, 1973

Present
Sen. James H. Brown
Herman Lowe
F. D. Winchester
Pegram Mire
Jasper K. Smith
David Conroy
Earl J. Schmitt, Jr.
Charles A. Badeaux
Frank H. Edwards, Jr.

The meeting was convened by the temporary chairman, Charles A. Badeaux. The first item of business was the selection of Sen. James H. Brown of Ferriday, chairman, and Pegram Mire of Donaldsonville, vice-chairman. The staff was asked to supply a secretary. It was also stated that the subcommittee felt that a research staff member should be assigned to each subcommittee and should attend each meeting of the subcommittee.

The feasibility of meetings throughout the state was discussed; however, it was decided that the meetings would be held in Baton Rouge unless there is an indication that the subcommittee is expected to meet in other localities.

Several suggestions were made naming agencies whose representatives could give valuable information regarding their operational procedure, which would be beneficial to the subcommittee. Agencies specifically mentioned were the State Treasurer's Office, the State Department of Revenue and the Louisiana Municipal Association.

Requests to the staff included:

1) An analysis of the Constitutional provisions relating to Finance.
2) A study of the resulting consequences if provisions relating to the following are removed from the Constitutions:
   (a) Special districts
   (b) Bonds backed by the full faith and credit of the State
   (c) Dedicated funds
3) A flow chart of finances for state government, including the sources of revenue and expenditures.

It was then decided that the chairman and vice-chairman, in consultation, would determine the order of study and persons to be invited to appear before the subcommittee, and would communicate this information to the staff on Tuesday, March 20, 1973.

Before the meeting adjourned, the chairman indicated that Mrs. Duncan should be provided "with funds to scour the state, if necessary," to locate additional staff needed by the subcommittee.
The subcommittee asked the treasurer’s office to submit written recommendations of proposals to be included in the new constitution and the reasons why they should be included.

Ralph R. Perleman of the division of administration explained the function of the budget Office and recommended that the composition of the Legislative Budget Committee be changed to include equal numbers of senators and representatives. He recommended that no dedications be included in the new constitution. He suggested that the State Board of Liquidation of the Public Debt be transferred from the constitution to the statutes.

Mr. Norris and Mr. Perleman were asked by the subcommittee to collaborate in writing a proposal regarding the Board of Liquidation.

Joe Burris, legislative auditor, traced the history and operation of his office and distributed copies of the proposal he submitted to the Committee on the Executive Department. A copy of this proposal is attached hereto and made a part of these minutes.

Following Mr. Burris' presentation, the subcommittee asked that the staff prepare an agenda for the Saturday, April 14, 1973, subcommittee meeting in New Orleans.

The staff was requested to send to those members absent the materials distributed during the meeting and to arrange for transcription of the April 10, 1973, meeting of the Local and Parochial Committee.

Mr. Roemer moved for adjournment and without objection the chairman so ordered.

Sen. James H. Brown, Jr., Chairman
TREASURY ADMINISTRATION

Revenues & Receipts
From Collecting Agencies

State Treasury Bank Account

State Treasurer

State Controller

Daily Reports of Deposits to State Treasurer

Daily Investment of Available Funds

Approved daily Scheduled Disbursements to Agencies and units
Requests for Special Acts & Dedications → Legislature → Executive Dept:
Legislature:
Review for Adoption → Governor:
Sign into law or veto → Special Acts and Dedications
Secretary of State:
For Pronunciation → State Treasurer & Comptroller:
Make Payment upon request → Division of Administration:
General Appropriation Act
Legislature
Authorizes
Bond
Issuance

Boards, Com., etc.

Issue bonds
per authorization
of special Act

State Bond Co.,
Issues
General Obligation
and Revenue
bonds

State Agencies
Receive bond
proceeds from
board or Com.

State Agencies

State Treasurers

State Agency

State Treasurer

State Comptroller

Remits to Paying
Agent semi-annual
payments on
outstanding bonds

Receives bond
proceeds and
establishes
payment schedule

Receives bond
proceeds to
cancel bonds

Remits to Paying
Agent semi-annual
payments on
outstanding bonds

Receives cancelled
coupons and
matured bonds
from paying agent

Receive proceeds
from board or Com.

Remits to Paying
Agent

Remits to Paying
Agent
Investments
Bond proceeds not immediately needed for payments

Legislature
Review for Adoption

State Bond Comm.
Issues bonds for requested Capital Budget Funds

State Treasurer
Receives bond proceeds and requests for payments

State Agency
Funds for State payments of construction in progress

Exec. Dept.
Capital Budget Recommendation

Div. of Adm.
Set up Const. priorities for adopted Capital Budget

State Agency
Informed of approved capital budget projects
NOTES

Report by the Legislative Auditor is omitted. It may be found in the addenda to the Committee on the Executive Department Minutes, April 2 and April 3, 1973, in Volume XI, above.

MINUTES


Held pursuant to notice by the Secretary of the Convention on April 19, 1973.

Committee Room 10 of the State Capitol, Baton Rouge, Louisiana, April 27, 1973 at 2:00 p.m.

Presiding: Pegram Mire, vice chairman of the Subcommittee on Public Finance.

Present

Pegram Mire, vice chairman
F. D. Winchester
David Conroy
Earl J. Schmitt
Charles E. Roemer, III
Frank H. Edwards, Jr.
John A. Alario, Jr.

Absent

Herman Lowe
Jasper F. Smith
Charles Badeaux

In the absence of the chairman, Sen. James Brown, the meeting was called to order by the vice chairman, Pegram Mire.

Mr. Mire stated that since he had received no report from the chairman, he would give a brief summary of the topics under consideration and the testimony of witnesses previously heard.

Mr. Norrie of the research staff asked the subcommittee for some directions as to content and scope of the proposals the subcommittee wished the staff to draft for its consideration. Mr. Norrie reported that data on obsolete provisions, related statutory provisions, and the articles of the 1921 Constitution within the purview of the subcommittee would be distributed to the membership in the near future.

The subcommittee discussed its responsibilities in considering proposals, the scope of those proposals, and the means of proposing changes.

Mr. Roemer suggested that one day prior to the next full committee meeting, the subcommittee meet to review material supplied by the staff and the comments of previous witnesses, and discuss analyses and recommendations from the staff on possible proposals. The subcommittee would then file a written report of the actions thus far in the full committee on the following day.

Mr. Roemer further suggested that the remainder of the meeting be occupied with hearing testimony on the subject of dedications. He asked the staff to attempt to supply expert speakers from the Highway Department and the State Treasurer's Office.

Following a short recess, the subcommittee returned to hear Emil Maciasz, assistant treasurer of the State Treasurer's Office. Mr. Maciasz, who had previously described for the subcommittee the work of the State Treasurer's Office, reviewed dedicated revenue and its handling.

Responding to a question from Mr. Roemer, Mr. Maciasz explained that the severance tax on natural resources was not a mineral revenue, but a tax collected at the source of production.

Mr. Mire asked if funds dedicated to bond retirement should be retained in the constitution. Mr. Maciasz stated that retention of the Bond Security and Redemption Fund in the constitution, including all revenues not otherwise dedicated to serve as collateral for the bonds, would be sufficient to guarantee general obligation bonds.

Mr. Maciasz cautioned the subcommittee against lightly considering eliminating from the constitution the Mineral Royalty Fund, explaining its impact to the state. He also urged careful consideration of the parish Royalty Road Fund and retaining its dedication.

In response to Mr. Roemer's query concerning removal from the constitution of all dedications, Mr. Maciasz stated that at this time leeway was provided for such deletions, but that there would be a few problems.

The subcommittee requested that Mr. Maciasz ask his staff to provide the members with comprehensive information on the constitutional dedication of funds, the possible impact that the removal of those funds from the constitution would have, and the advantages and disadvantages of deleting dedications from the constitution.

Phillip K. Jones, general counsel for the State Highway Department, opposed deletion from the constitution of those funds dedicated to highways. The importance of the funds, he said, was at least two-fold: 1) as retirement for highway bonds and 2) for contingency planning and operation of the department. He felt the department's function was best served if its security was insured, and such security was better insured if funds were not contingent on the whim of the times.

Mr. Jones reviewed with the subcommittee revenue planning, debt service, and federal contributions.

The subcommittee requested that the Department of Highways submit a proposal recommending the inclusion or deletion of provisions presently in the constitution which directly relate to Highway Department funds and dedications. The subcommittee
so voiced its desire to hear William T. Taylor, Jr., director of the State Highway Department, at its next meeting.

Minutes of the last meeting were distributed, but adoption was deferred until a quorum was present.

The subcommittee decided to meet again Thursday, May 10, at 2 P.M.

Without objection, the meeting was adjourned at 4:15 p.m.

Pegram Mire, Vice Chairman

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MINUTES

Minutes of the Subcommittee on Public Finance of the Committee on Revenue, Finance and Taxation of the Constitutional Convention of 1973

Held pursuant to notice mailed by the Secretary of the Convention on May 3, 1973

Committee Room 9, State Capitol Building, Baton Rouge, Louisiana, Thursday, May 10, 1973, 2:00 p.m.

Present:

Sen. James H. Brown
Herman Lowe
F. D. Winchester
Pegram Mire
David Comroy
Earl J. Schmitt
Charles E. Roemer, III
Sheriff Frank M. Edwards
Jasper K. Smith

Absent:

John A. Alario, Jr.
Charles Badeaux

qt. at Arms: Joe D'azrio

Mr. Pegram Mire, vice chairman of the subcommittee, presided in the absence of the chairman. After the call to order, and a quorum of members present, Mr. Mire introduced Mr. Pat Koloski to speak on behalf of the mayor's office of the city of New Orleans. Mr. Koloski's remarks dealt with fiscal matters in relation to local subdivisions; he made recommendations such as the retention of Article X, Section 1, paragraph 1.

In answer to a question by Mr. Comroy as to the subject of ad valorem taxes relating to this subcommittee or the committee as a whole, Mr. Norris of the research staff advised the members that this subject, indirectly, is related to bonded indebtedness of local subdivisions, which is an area to be covered by the subcommittee. Mr. Koloski recommended: (1) deletion of all mention of rates, limits, and formulas of distribution and allow the legislature to determine; and (2) the legislature not to be deprived of the power to require subjects or objects to be taxed (wealth, value added, property and stock transfers, etc.); he recommended the specific listing of tax exemptions (Article X, Section 4) be limited only to public property; he recommended that Article IV, Section 12 be amended so as not to prohibit political corporations from joint ventures or exchange of property with nongovernmental entities, if the benefits to be gained are clearly in favor of the public. Also, that such ventures or exchanges be required to attain local and legislative approval. Concerning Article XIV, Section 25, he recommended that all dedication of millage concerning the city of New Orleans be deleted and these powers incorporated into a general home provision permitting political subdivisions to exercise this authority. He also requested preserving the existing millage if these provisions are deleted from the constitution. Mr. Koloski suggested a savings clause or something similar remain in effect concerning dedication of millage. A general discussion followed regarding benefits and pay plan of city employees, and city charter procedure as to levying new taxes or increasing existing taxes.

After hearing the recommendations presented by Mr. Koloski, Mr. Reis with the research staff explained the procedure set up by the Committee on Legislative Liaison and Transitional Measures and stated that this procedure is the one this committee is requested to follow. The procedure, as contained in a report by the Coordinating Committee is, first, to decide whether or not you want a provision in the constitution. If you do, there will be a proposal drafted; if you don't it will be deleted, and deleted material will go into one of three categories: 1) the superstatutes; 2) regular statutes; or 3) deleted as obsolete material. Schedules will be attached to the constitution to be voted on by the electorate. The research staff explained that unless provisions were to be deleted from the law that they will be carried on in the law either by special session or by vote of the people and cited the state of Kentucky where the provisions might be included in the constitution if they failed to be enacted into law by vote of the legislature.

The members and the staff then went over the constitutional articles assigned to this subcommittee and made notes concerning the status of each article.

After discussing the office of the legislative auditor, and on the suggestion that Mr. Burris, the present legislative auditor, along with Mr. Joe Casey of the Joint Legislative

Audit Advisory Committee, be invited to appear at the next subcommittee meeting on Saturday, May 12. Senator Brown asked the staff to contact these speakers and have them available for the specified meeting.

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On a motion by Mr. Mire and seconded by Mr. Roemer, the committee agreed to study the three proposals submitted by the research committee and come prepared to take action on these proposals and also to hear testimony by Mr. Burris, legislative auditor, and from the head of the Joint Legislative Audit Advisory Committee, and from the Board of Liquidation. Also, that Mr. Maciasz and Mr. Perlman would be invited for this same date.

On a motion by Mr. Smith and seconded by Mr. Schmitt, minutes of all previous meetings were adopted as written. The motion passed unanimously.

The meeting adjourned at 5:30 p.m., on May 10, 1973.

Chairman
Vice Chairman

MINUTES

Minutes of the Subcommittee on Public Finance of the Committee on Revenue, Finance and Taxation of the Constitutional Convention of 1973

Held pursuant to notice mailed by the Secretary of the Convention on May 3, 1973

Committee Room 9, State Capitol Building, Baton Rouge, Louisiana.

Saturday, May 12, 1973, 9:00 a.m.

Presiding: Pegram Mire, Vice Chairman of the Subcommittee on Public Finance.

Present:

John A. Alario, Jr.
Herman Lowe
P. D. Winchester
Pegram Mire
Jasper A. Smith
David Conroy
Earl J. Schmitt
Charles E. Roemer, III

Absent:

Charles Badeaux
Sen. James H. Brown
Sheriff Frank M. Edwards

Sgt. at Arms: Joe Dazzio

The Subcommittee on Public Finance reconvened at 2:15 p.m. after having met with the full committee and was called to order by the vice chairman, Pegram Mire. It was the feeling of the majority of the members that no further business would be heard after hearing the guest speaker, Mr. Joseph H. Burris, legislative auditor. As a matter of record, due to the delayed schedule caused by the prolonged meeting of the Committee on Revenue, Finance and Taxation conflicting with previous engagement, Mr. E. J. Maciasz, assistant r.-te. treasurer, was unable to appear.

The vice chairman then introduced Mr. Burris who gave an overall picture of his powers and duties as legislative auditor for the state, as provided for in Article VI, §16 of the constitution. Mr. Burris stated that 33 other states now have legislative auditors and that the trend now is in that direction; he stated further that the legislative audit arrangement now provides a greater amount of freedom for the legislative auditor to pursue his duties in a professional and objective manner. The legislative auditor is presently selected by a majority of the members of the legislature elected to each house and is removed in the same manner; his compensation is set by the legislature. Mr. Burris presented his proposal concerning his office. In discussing professional standards which might be incorporated in a provision, Mr. Burris said he had seen a model audit law prepared by the Council of State Government and most of such arrangements required professional standards for heads of office being either certified public accountants or having a certain number of years of experience in governmental auditing. He agreed that he would support this requirement and stated further that he felt, in the wisdom of the legislature, the person selected would have appropriate qualifications. Mr. Burris was questioned concerning reports issued on irregularities of certain state offices and office procedures. Concerning this matter, Mr. Burris stated that he felt the legislative auditor should be free to call attention in reports to any items he thought, in his opinion, were relevant; he also stated that his office has a Joint Legislative Audit Advisory Committee which acts in an advisory capacity to his office. The present law concerning critical audit reports is "that the official or head of office receiving this report shall communicate with this committee within thirty days following receipt of that report." The report then becomes a public record three days after the report becomes final. Delegate Roemer felt that the legislative auditor should first seek independence from control by the executive, judiciary, or legislative branches of government, and secondly, seek independence from familiarity within the department itself.

The meeting adjourned at 3:30 p.m., on May 12, 1973.

Chairman
Vice Chairman

MINUTES

Minutes of the meeting of the Subcommittee on Public Finance of the Committee on Revenue, Finance and Taxation of the Constitutional Convention of 1973
Held, pursuant to notice mailed by the 
Secretary of the Convention on June 4, 1973 
Senate Lounge, State Capitol Building 
Baton Rouge, Louisiana 
Friday, June 8, 1973, 2:00 p.m. 

Presiding: James N. Brown, Jr., Chairman of the 
Subcommittee on Public Finance. 

Present: Charles A. Badeaux 
David Conroy 
PeGRAM Mire 
Charles E. Roemer, III 
Jasper K. Smith 
F. D. Winchester 
Herman "Monday" Lowe 

Absent: John A. Alario, Jr. 
Earl J. Schmitt, Jr. 
Frank M. Edwards, Jr. 

The chairman called the meeting to order at 2:00 p.m.; 
the roll was called, and a quorum confirmed. 

Mr. Norris, research staff, presented to the sub-
committee a proposal for limitations on incurrence of 
debt by the state, a copy of which is attached hereto 
and made a part hereof. 

Section 1 of the proposal for limitations on 
incurrence of state debt, entitled "State Debt; Full 
Faith and Credit Obligations" was discussed in detail. 
Action of the subcommittee was deferred pending further 
analysis of the refunding provision contained in lines 
11 and 19 of Section 1 (See Appendix for copy). As to 
the remainder of Section 1, the subcommittee indicated 
satisfaction although no official action was taken. 

Section 2 of the proposal for limitations on 
incurrence of state debt, entitled "Special Obligations," 
was discussed by the subcommittee. A motion by Delegate 
Roemer, seconded by Delegate Smith, to delete Section 2 
of the proposal passed. The subcommittee expressed 
its intention to eliminate the authority of the legislature 
to issue revenue bonds; under Section 1 of the proposal 
for limitations on incurrence of state debt, "Special 
Obligations" all obligations must be secured by the full 
faith and credit of the state. 

The subcommittee then analyzed Section 3 of the 
proposal for limitations on incurrence of state debt, 
entitled "State Debt; Maximum Debt Service Expense for 
All Purposes." By motion of Delegate Smith, seconded 
by Delegate Roemer, applicability of Section 3 was 
limited to debt incurred for capital improvements. Delegate 
Conroy, by substitute motion, seconded by Delegate Roemer, 
moved that the research staff draft a proposal requiring 

limitation on state debt, applicable only to capital 
improvements. After brief discussion, Delegate Conroy, 
then withdrew this motion. 

The subcommittee next reviewed Section 4, entitled 
"State Debt; Maximum Time for Repayment." Delegate 
Roemer moved that the word "bonded" be included after 
the word "any" and before the word "debt" on line 5. 
Delegate Smith seconded the motion, which was adopted 
unanimously by the subcommittee. Delegate Smith moved 
that Section 4 be adopted as amended, which motion 
failed for lack of a second. Delegate Roemer next moved 
that Section 4 be deleted from the proposal for limita-
tion on incurrence of state debt. Delegate Conroy 
seconded the motion, and the motion carried. 

After discussion by the subcommittee of the proposal 
for limitation on incurrence of state debt, action 
regarding Section 5 by the subcommittee, was deferred, 
pending receipt of additional information as to whether 
the State Bond Commission or State Bond and Tax Board 
approves the sale of bonds by local political subdivisions. 

By motion of Delegate Conroy, seconded by Delegate 
Lowe, the subcommittee deferred action on Section 6 
dealing with interim borrowing for emergencies until the 
section on contingency appropriations has been considered. 

A proposal for the collection, expenditure, and 
management of state funds was distributed to the subcom-
mittee. Action was deferred until the next meeting. 

At 5:15 p.m., Delegate Lowe moved to adjourn, which 
motion passed unanimously. 

1 Constitutional Convention of Louisiana of 1973 
2 COMMITTEE PROPOSAL NUMBER 
3 Introduced by 
4 A PROPOSAL 
5 For limitations on incurrence of debt by state. 
6 PROPOSED SECTIONS: 
7 Article ___, Section ___, State Debt; Full Faith 
and Credit Obligations 
8 Section ___, (A) The state shall have no power 
to contract, directly or through any state board, 
agency, or commission, the incurring of debt or the 
isuance of bonds secured by all or part of tax revenues 
imposed and collected by the state except upon the 
affirmative vote of two-thirds of the members elected
to each house of the legislature, and then only if the funds are to be used to repel invasion; suppress insurrection; provide relief from natural catastrophes; refund outstanding indebtedness if in the best interest of the state; or make capital improvements.

(b) If the purpose is to make capital improvements, the nature, location, and if more than one project, the amount allocated to each and the order of priority shall be stated in an approved capital budget adopted pursuant to law.

(c) The full faith and credit of the state shall be pledged to the repayment of all bonds or other evidences of indebtedness issued under the authority of this Section.

as otherwise provided herein ...“ is not intended to
abrogate authority granted in this constitution by
Art. ___, Section ____ for emergency borrowing.

Under Louisiana Constitution of 1921, Art. IV, §2
as amended by Acts 1965, No. 168, the following is
provided:

"... nor shall it (prohibition against
incurrence of state debt) apply to any
state board, authority, commission or
other state agency empowered by other
constitutional authorization or to any
law adopted by the Legislature within
the scope of any such other Constitutional
authorization; nor shall it apply to any
state board, authority, commission or
other state agency created by an Act of
the Legislature with respect to any pro-
posed debt to be incurred thereunder and
any proposed bonds to be issued in connection
therewith where secured solely from the
revenues of the project." Louisiana Consti-
tution of 1921, Art. IV, §2 as amended by
Acts 1965, No. 168. (Explanation in paren-
thesis supplied)

The language quoted above providing exceptions
for certain state boards, agencies, and commissions
purposely was omitted from this Section with the intention
of altering existing law. Under this Section no state
debt can be incurred directly or through any state board
or state agency except upon affirmative vote of two-thirds

() of the members elected to each house of the legislature
and then only for the six purposes enumerated herein.

This change in the law should allay fears of some bond
rating services that the state might revert to complica-
ted bonding practices as a result of loopholes in the
present law allowing exceptions to prohibition against
incurrence of state debt.

Section ____. State Debt: Special Obligations

Section ____. The legislature may authorize
the incurrence of state debt or the issuance of bonds
secured by nontax revenues for no purpose except to
finance projects identified by nature, location, and
amount in an approved state capital budget adopted
pursuant to law.

The full faith and credit of the state shall not
be pledged to secure indebtedness authorized pursuant
to this Section.

20 Source: New

21

22 Comment: Under this Section by simple majority vote the
legislature may issue revenue bonds or obligations
secured by nontax revenues from a designated project,
which encompass fees and self-generating revenues including
revenues derived from ownership or the operation of an
undertaking, facility, or project. However, the
legislature may issue obligations under the authority
of this section only for the financing of projects
identified by nature, location, and amount in an
approved state capital budget. This limitation is
intended to force utilization of comprehensive capital
budgeting by the legislature.

This Section is intended to eliminate the authority
of state boards, agencies, and commissions to issue

(6)

revenue bonds unless approved by majority vote of the
legislature. This elimination of authority to issue
revenue bonds without legislative approval is intended
to force inclusion of all revenue-producing projects
in an approved state capital budget so that recurring
needs of state boards, agencies, and commissions will
be coordinated with the state operating budget.

This coordination with the state operating budget
is needed because revenue-producing projects of state
boards, agencies, and commissions normally do have an
impact on state funds. For example, the construction
of a dormitory on a college campus can increase enroll-
ment and require additional classroom space and
teachers, which usually are financed at least partially
with state tax revenues. Therefore, the total impact
of revenue bond issues on the state's financial situation
should be evaluated before such bonds are authorized.

The full faith and credit of the state is not
pledged to secure bonds or other evidences of indebt-
edness issued under the authority of this Section.
Obligations incurred hereunder are special obligations
and secured solely by revenues from designated sources.

Section ____. State Debt: Maximum Debt Service Expense
for All Purposes

Section ____. The legislature shall enact no law
authorizing the incurrence of state debt, whether con-
tacted directly by the state or indirectly through a
state board, agency, or commission, if incurrence of
the indebtedness would result in total annual debt
service requirements on all state obligations, whether
outstanding or authorized and unissued, exceeding an
amount equal to ten percent of the average total state

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revenue receipts for the preceding three years.

1 Source: New

2 Comment: Under this Section "total state indebtedness," whether contracted directly by the state or through any state board, agency, or commission, and whether outstanding, authorized and unissued, or proposed, shall not result in total annual debt service requirements exceeding 10 percent of the average total state revenue receipts for the preceding three years.

As used in this Section, "total state revenue receipts" includes revenues irrespective of sources. Thus, inclusive not only are tax collections, but also all other state revenues, i.e. federal grants, mineral revenues, etc.

As used in this Section, "debt service requirements" is intended to mean principal and interest due on all state obligations, regardless of the manner of incurrence, and irrespective of status of the obligations, whether outstanding, authorized and unissued, or proposed.

Many states have avoided constitutional limitations on state debt by utilization of one or more of the following concepts, the most often employed being the following: (1) revenue bonds and the special fund doctrine: This is a jurisprudential rule, followed in some states, which provides that issuance of revenue bonds secured solely by revenue from designated sources not resulting directly in new or additional taxes, is a form of borrowing which is not a debt and, therefore, excluded from the maximum state debt limitation; (2) state boards, agencies, and commissions: some courts have held that where the incurrence of debt is contracted in the name of a state board, agency, or commission, state debt is not incurred and, therefore, the maximum state debt limitation is not applicable.

It is intended this Section will prevent any and all evasion of the state debt limitation provided herein.

1 Comment: The State Bond Commission, which under present law (LSA-P.S. 39:401 et. seq.) is a statutory commission, is granted constitutional status. Present membership of nine is reduced to three persons to promote operating efficiency.

14 No bonds or other obligations of the state or any political subdivision of the state shall be issued or sold without prior written approval by majority vote of the State Bond Commission. It is intended for this requirement to be applicable irrespective of the nature of the security involved, i.e., whether obligation is supported by full faith and credit of state, full faith and credit of political subdivision of state, or by revenues from designated sources, etc.
Since the financial status of the state is affected not only by state indebtedness but also by indebtedness of the state's political subdivisions, to promote financial stability and fiscal responsibility it is the intention of this Section to require approval by majority vote of the State Bond Commission of the issuance and the sale of all obligations by the state and its political subdivisions.

Section ___.  State Debt: Interim Borrowing for Emergencies

Section ___. During the interim between sessions of the legislature when there exists an emergency, only after written certification by the governor and state treasurer of conditions which require such action, and only after having obtained as provided by law the written consent of a majority of the members elected to each house of the legislature, which certification and written consents shall be public record, the State Bond Commission may borrow upon the credit of the state an amount not to exceed one million dollars, which is the total amount authorized hereunder to be outstanding at any time for all purposes. Nothing contained herein shall prevent the legislature from reducing the amount of indebtedness which may be incurred pursuant to this Section.

The full faith and credit of the state shall be pledged to the repayment of any indebtedness incurred under the authority of this Section.

Source: New

Comment: The Board of Liquidation of the State Debt, created pursuant to Louisiana Constitution of 1921, Art. IV, §1(a), is abolished.

This Section makes possible emergency borrowing between sessions of the legislature only if the governor and treasurer certify the need therefor and only if written consent is obtained from a majority of elected members of each house of the legislature, and the legislature has the prerogative of determining the manner by which legislative consent is obtained.

Nothing contained herein is intended to prevent special sessions of the legislature to consider emergency borrowing: this Section simply is an attempt to avoid the expense and inconvenience of special sessions unless absolutely necessary.

Although this Section sets a maximum indebtedness which may be outstanding at any one time, the legislature may reduce the indebtedness which may be incurred hereunder.

As used in this Section, "emergency" is intended to mean an unforeseen occurrence necessitating funds, which requirement reasonably could not have been anticipated.

MINUTES

Minutes of the meeting of the Subcommittee on Public Finance of the Committee on Revenue, Finance and Taxation of the Constitutional Convention of 1973

Held, pursuant to notice mailed by the Secretary of the Convention on June 9, 1973
Room 304, LSU Law School Building
Baton Rouge, Louisiana
Wednesday, June 13, 1973, 9:00 a.m.

Presiding: Senator James Brown, Jr., chairman of the Subcommittee on Public Finance

Present: Pegram Mie
David Conroy
Earl J. Schmitt, Jr.
Charles E. Roemer, III
Frank H. Edwards, Jr.

Absent: John A. Alario, Jr.
Herman "Monday" Lowe
P.D. Winchester
Jasper K. Smith
Charles Badeaux

The meeting was called to order by the chairman with a quorum present at 10:00 a.m.

Discussion began regarding the Board of Liquidation of the State Debt, and the consensus of the subcommittee was that a new five man board should be created composed of the following members:

1) governor
2) state treasurer
3) legislative auditor
4) chairman, Senate Finance Committee
5) chairman, House Appropriations Committee

The subcommittee indicated the board to be created as a substitute of the Board of Liquidation of the State Debt, should have authority to incur indebtedness or to appropriate from any surplus in the state general fund only when an emergency exists and an emergency is defined as an event or occurrence not reasonably anticipated by the legislature.

The subcommittee determined that the procedure for the operation of this new board should be as follows:

1) By majority vote of the board, there shall be a certification of the existence of an emergency.

2) There shall be a polling of the members of the legislature. Upon an affirmative vote of a simple majority of the members of each house, the board would have authority
to appropriate from surplus in the state general fund or to borrow upon the full faith and credit of the state. The subcommittee recommended that during the period after final adjournment of the regular session of the legislature in the last year of the term of office of a governor and the next regular session of the legislature, the board must secure written consent of two-thirds of the members elected to each house of the legislature.

3) The committee thought it wise to impose a limit upon the amount of indebtedness which could be incurred by this new board to be created to act during the interim between sessions of the legislature. The subcommittee decided that this debt limit should be an amount not to exceed one-tenth of one percent of the total revenue receipts for the previous fiscal year.

-2-

4) Next the subcommittee, after discussion, decided that where there is incurrence of indebtedness by this board, there should be a provision in the constitution allocating in each fiscal year an amount from the State General Fund which would be sufficient to repay any indebtedness incurred during the preceding fiscal year by this newly created board.

The subcommittee instructed the staff to choose a name for this new board which would be a substitute for the Board of Liquidation of the state Debt. The next order of business of the subcommittee was discussion of the refunding provision contained in a proposal for limitations on incurrence of state debt. Delegate Roemer suggested that the refunding provision contained in the original proposal for limitations on incurrence of state debt should read as follows:

"refund outstanding indebtedness as a financial necessity or to obtain a better interest rate."

The staff was instructed to draft a new proposal with the suggested modifications.

The next order of business to be considered by the subcommittee was whether to abolish dedications. It was the unanimous opinion of the members present that all dedications should be abolished. It was pointed out that this should be the starting position with the understanding that in future deliberations the subcommittee might decide it wise to include in the new constitution a very few dedications.

The next topic of discussion for the subcommittee regarding the section "state debt: full faith and credit obligations" of the proposal on limitations on incurrence of state debt. Delegate Roemer suggested that for purposes not enumerated in this section for which the legislature may incur debt, the incurrence of debt should be possible through a public referendum. The staff was instructed to draft a proposal accordingly.

The next topic of discussion for the subcommittee was the consideration of Article IV, §4, paragraph 16, of the Louisiana Constitution of 1921 regarding, "remitting of fines, penalties, and forfeitures, etc." After a short discussion, the subcommittee decided to defer action to the floor of the convention, the reason being that there are paragraphs of this section that have been assigned to many different substantive committees so that any action at this time by the subcommittee would be premature.

At the suggestion of Delegate Conroy the subcommittee decided to go on record as disagreeing with §12 of CC-1000, the final first proposal by the Committee on Legislative Powers and Functions. The subcommittee requested the staff to send a letter on its behalf to Sen. Cecil Blair, chairman of the Committee on Legislative Powers and Functions, indicating dissatisfaction.

In discussing Article IV, §8 of the Louisiana Constitution of 1921, Delegate Roemer moved, with a second by Delegate Hite, to retain this section in the new constitution as it is presently written. Because of a tie vote, the subcommittee instructed the staff to draft a proposal with basically similar language; this proposal would then be submitted to the committee of the whole.

Next, the subcommittee indicated agreement with Sections 9, 10, and 11 of CC-1000, a proposal drafted by Legislative Powers and Functions. The subcommittee instructed the staff to draft similar language regarding appropriations.

At this time the subcommittee recessed for lunch and reconvened at 2:00 p.m.

The next order of business by the subcommittee was a section-by-section analysis of provisions of the Louisiana Constitution of 1921 assigned to this subcommittee. Subcommittee action on the various sections assigned for its consideration is contained in a preliminary report dated June 15, 1973, attached hereto and made a part of these minutes. This preliminary report accurately reflects the action of this subcommittee on the various constitutional articles and sections assigned for its consideration.

In addition, regarding the Louisiana Constitution of 1921, Article IV, §12, the subcommittee instructed the staff to draft a proposal changing "granted" on the second line to "donated." Also, the subcommittee wished to include a section therein allowing intercooperation between the state and its political subdivisions and between political subdivisions. The subcommittee asked the staff to inform the Committee on Local and Parochial Government of this subcommittee's action abolishing the authority of the state or its boards, agencies, or commissions to issue revenue bonds. Also, the subcommittee
asked the staff to inform Committee on Local and Parochial Government of a willingness to coordinate on various sections requiring coordination.

Regarding Article VI, §26, paragraph 2, dealing with the legislative auditor, the subcommittee indicated the staff should consult with Delegate Lowe regarding suggestions for a constitutional provision concerning the legislative auditor.

The subcommittee asked the staff to prepare a proposal in accordance with the wishes of the subcommittee as expressed in its deliberation today.

In accordance with the subcommittee’s request, attached is a copy of CC-234, a proposal for limitations on incurrence of state debt and for the collection, expenditure, and management of state funds. CC-234 was drafted to conform to the instructions the subcommittee expressed in this meeting of June 13, 1973.

Copies of RS47:1801 et seq and copies of RS39:1401 et seq regarding the State Bond Commission were distributed at the meeting. We also distributed copies of a flow chart of the dispensing of all state revenues, labeled "Revenue Receipts Distributed by Major Funds, 1971-1972."

Having completed its business, the subcommittee adjourned at 4:30 p.m.

CHAIRMAN
VICE CHAIRMAN

NOTES
The addendum to these Minutes is a copy of the proposal attached to the preceding Minutes, June 8, 1973.

MINUTES
Minutes of the meeting of the Subcommittee on Public Finance of the Committee on Revenue, Finance and Taxation of the Constitutional Convention of 1973

Held, pursuant to notice mailed by the Secretary of the Convention on June 16, 1973
Committee Room 5, State Capitol Building
Baton Rouge, Louisiana
Thursday, June 21, 1973, 4:00 p.m.

Presiding: James H. Brown, Jr., chairman of the Subcommittee on Public Finance

David Conroy
Sheriff Frank M. Edwards, Jr.
Herman "Monday" Lowe
PeGRAM Mire
Charles E. Roomer, III
Earl J. Schmitt, Jr.
Jasper K. Smith
F.D. Winchester

Absent: Charles A. Badeaux

The chairman called the meeting to order at 4:00 p.m.; the roll was called and a quorum confirmed.

Mr. Charles Gaennie, Jr., State Bond Commission, Mr. E.J. Maclass, treasurer’s office, Mr. Ralph Perlman, Div. of Administration, and Mr. Charles E. Roomer, Comm. of Administration, were present at the meeting to answer any question the committee might have.

The committee began discussion on Section 6 of CC-234, the Subcommittee on Public Finance’s proposal. (See attachment) Delegate Roemer offered a motion for a vote on the section to determine the feelings of the committee on the wording of the section. The motion carried with a 6-3 vote by the delegates, therefore adopting section 6 as is.

Section 7 on expenditure of state funds of CC-234 was discussed next by the committee. Delegate Roemer offered a motion to delete the words “two years” on line 12 of section 7, paragraph (B), and insert in lieu thereof the words “one year.” There being no objection the motion carried.

Delegate Schmitt offered a motion to delete starting with the word “money” on line 22 of section 7, paragraph (D) of CC-234 and ending with the word “authority” on line 35. Delegate Smith offered a substitute motion to retain section 7, paragraph (D) as worded in CC-234. It was decided by the committee to vote on paragraph (D) in two parts. Lines 20-29 of paragraph (D) were adopted with a vote of 6-3 by the committee. Lines 29-35 were referred to the full committee because of a tie vote (5-5) by the committee.

Delegate Schmitt offered a substitute motion to delete on line 25 of Section 7, paragraph (D) of CC-234, the words “or teacher thereof.” The motion failed with a 7-2 vote by the committee.

Section 9 on page 13 of CC-234 was adopted by the committee with no objection.

Section 10 on page 13 of CC-234 was adopted by the committee with no objection.

The committee then discussed Section 2 on page 5 of CC-234 and decided to delete after the word “from” on line 31 the words “any surplus” and the word “in” on line 32 and also the words “as certified by the treasurer,” after the word “Fund.” There being no objection, it was so ordered.

The staff was requested to include in the draft of Section 2, paragraphs (B) and (C) on page 6 of CC-234 appropriations in the limit of total indebtedness permissible under Section 2.

The committee then decided to change the wording on
lines 21-22 of Section 2 on page 5 to read "then only for a purpose for which the legislature may appropriate funds under this constitution." There being no objection, it was so ordered.

Delegate Edwards offered a suggestion on Section 3, page 7 of CC-234, line 29 to have it read as follows: "equal to ten percent of the average total state revenue receipts available for debt service for the preceding three years."

Delegate Lowe offered a motion that Section 3, on page 7 of CC-234 be deleted in its entirety. Delegate Conroy offered a substitute motion to retain Section 3 with the substitution of fifteen percent. The substitute motion failed with a vote of 8-1 by the committee. The original motion carried with a vote of 7-2 of the committee.

The committee then discussed Section 11, paragraph (C), on page 15 of CC-234 and decided it should be deleted.

There being no objection it was so ordered.

Delegate Mire offered a motion to adopt CC-234, Subcommittee on Public Finance's proposal, as amended.

There being no objection it was so ordered.

The meeting adjourned at 7:15 p.m.

June 21, 1973

Subcommittee on Public Finance

ROLL CALL

Brown            yes           no           no
Alario           no           yes           no
Lowe             no           no           yes
Winchester       no           no           no
Mire             yes           no           yes
Smith            yes           no           yes
Conroy           yes           no           yes
Schmitt          no           no           yes
Roemer           yes           no           no
Badeaux          no           no           yes
Edwards          yes           no           no

A PROPOSAL

For limitations on incurrence of state debt; for the collection, expenditure, and management of state funds.

PROPOSED SECTIONS:

Article _, Section _. State Debt: Full Faith and Credit Obligations

Section _. (A) The state shall have no power to contract, directly or through any state board, agency, or commission, the incurring of debt or the issuance of bonds secured by all or part of tax revenues imposed and collected by the state except upon the affirmative vote of two-thirds of the members elected to each house of the legislature, and then only if the funds are to be used to repel invasion; suppress insurrection; provide relief from natural catastrophes; refund outstanding indebtedness, but only if required by financial necessity or in order to obtain lower interest expense; or make capital improvements, but only in accordance with a comprehensive capital budget, which the legislature shall adopt.

(B) If the purpose is to make capital improvements, the nature, location, and if more than one project, the amount allocated to each and the order of priority shall be stated in the comprehensive capital budget which the legislature adopts.

(C) The full faith and credit of the state shall be pledged to the repayment of all bonds or other evidences of indebtedness issued by the state directly or through any state board, agency, or commission.

(D) The legislature, by two-thirds affirmative vote of the members elected to each house thereof, may propose a public referendum for the incurrence of debt for any purpose for which the legislature is not herein authorized to incur it.

CC-234


Comment: "The state shall have no power to contract, directly or through any state board, agency, or commission," is included to prevent evasion or prohibition against incurrence of state debt by contracting in the name of a state board, agency, or commission. Similar language added to Louisiana Constitution of 1921 by Acts 1965, No. 168 has been successful in achieving this purpose.

Under this Section state debt may be incurred only by affirmative vote of two-thirds of the elected member-
ship of each house of the legislature and then only for
the following purposes: (1) repel invasion, (2) suppress
insurrection, (3) provide relief from natural catastrophes,
(4) refund outstanding indebtedness only if a financial
necessity or to obtain lower interest expense, and (5)
make capital improvements.

Under Louisiana Constitution of 1921, Art. IV, §2,
state debt may be incurred only upon two-thirds vote of
elected membership of the legislature and then only for
purposes (1), (2), and (5), enumerated in the immediately
preceding paragraph. In this Section, in addition to
emergencies listed in (1) and (2), number (3) was added
as a result of the probability of occasional natural
catastrophes such as floods and hurricanes due to Louisiana’s
geographical location. Since there exists some doubt
as to whether refunding provisions must be included in
state constitutions for states to have such authority, to
extinguish any doubt (4) was included to authorize refunding
of state debt only if necessary because of a financial
necessity or to obtain lower interest expense. Under this
Section legislative discretion will determine refunding,
subject to the requirement that refunding is allowed only
if a financial necessity or to obtain lower interest ex-

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CC-234

as amended by Acts 1965, No. 168, the following is pro-
vided:

"...nor shall it (prohibition against
incurrence of state debt) apply to any
state board, authority, commission or
other state agency empowered by other
constitutional authorization or to any
law adopted by the Legislature within
the scope of any such other Constitu-
tional authorization; nor shall it apply
to any state board, authority, com-
mission or other state agency created
by an Act of the Legislature with re-
spect to any proposed debt to be in-
curred thereunder and any proposed bonds
to be issued in connection therewith
where secured solely from the revenues
of the project." Louisiana Constitution
of 1921, Art. IV, §2 as amended by Acts
1965, No. 168. (Explanation in paren-
theses supplied)

The language quoted above providing exceptions for
certain state boards, agencies, and commissions purposely
was omitted from this Section with the intention of altering
existing law. Under this Section no state debt can
be incurred directly or through any state board or state
agency except upon affirmative vote of two-thirds of the
members elected to each house of the legislature and then
only for the five purposes enumerated herein. This change
in the law should allay fears of some bond rating services
that the state might revert to complicated bonding
practices as a result of loopholes in the present law
allowing exceptions to prohibition against incurrence of
state debt.

Under Louisiana Constitution of 1921, Art. IV, §2,

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CC-234

the above quoted exception in conjunction with other con-
stitutional provisions authorizes issuance of bonds sup-

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ported by the full faith and credit of the state by
various agencies such as Port of New Orleans (Louisiana
Constitution of 1921, Art. VI, §16 et seq.) omission
from this Section if the above quoted exception is in-
tended to alter existing law so that only bonds supported
by the full faith and credit of the state may be issued
and then only by affirmative vote of two-thirds of the
elected membership of each house of the legislature.

Section 2. State Debt; Interim Emergency Board

Section 2. (A) The Interim Emergency Board hereby
is created and shall be composed of the governor, the
state treasurer, the legislative auditor, the chairman
of the Senate Finance Committee, and the chairman of the
House Appropriations Committee, or their designees.

(B) During the interim between sessions of the legis-
lature, whenever it is determined by majority vote of the
Interim Emergency Board that an emergency exists, and
then only for a purpose for which the legislature may in-
cur indebtedness under this constitution, after having ob-
tained, as provided by law, the written consent of a simple
majority of all members elected to each house of the
legislature; provided however, the written consent of
two-thirds of the members elected to each house of the
legislature shall be obtained during the period after
final adjournment of the regular session of the legis-
lature in the last year of the term of office of a gover-
nor and the next regular session of the legislature, the
Interim Emergency Board may appropriate from any surplus
in the State General Fund, as certified by the treasurer,
or borrow upon the full faith and credit of the state an
amount to care for an emergency, which is an event or
occurrence not reasonably anticipated by the legislature.

(C) The total amount of indebtedness outstanding at
any one time under the authority of this Section shall
not exceed one-tenth of one percent of total state revenue
receipts for the previous fiscal year.

(D) Each fiscal year as a first priority there hereby
is allocated from the State General Fund an amount suf-
cient to pay any indebtedness incurred during the pre-
ceding fiscal year under the authority of this Section.

Source: La. Const. Art. IV, §§1(a) and 17 (1921).

Comment: The Board of Liquidation of the State Debt, created
pursuant to Louisiana Constitution of 1921, Art. IV, §1(a),
is abolished; the Interim Emergency Board is created with
powers, duties, and functions different from the Board of
Liquidation of the State Debt.

Under this Section it is intended the Interim Emer-
gency Board is authorized to appropriate from any surplus
in the State General Fund or to borrow upon the full faith
and credit of the state only if the following conditions
are met:

1. Certification by the board that there exists an
emergency, which is an event or occurrence not reasonably
anticipated by the legislature;

Note: It is not intended the Interim Emergency
Board shall have authority to appropriate
from a surplus in the State General Fund
or to borrow upon the full faith and credit
of the state for any cause which already
has been considered by the legislature
or which reasonably could have been fore-
seen by the legislature.

2. Receipt of written consent by majority of all
members elected to each house of the legislature, provided
that within consent of two-thirds of members elected to

each house of the legislature is required during the
period between final adjournment of the regular session
of legislature in the last year of term of office of a
governor and the next regular session of the legislature.

Note: During the time period specified, requirement
of two-thirds vote is intended to make more dif-
ficult action by lame-duck legislature.

3. The emergency shall be for a purpose for which
the legislature may incur indebtedness under this consti-
tution;

4. The total amount of indebtedness outstanding
at any time under the authority of this Section shall
not exceed one-tenth of one percent of total state revenue
receipts for the previous fiscal year.

Note: "Total state revenue receipts" is intended to in-
clude all revenue receipts, whether or not of a
tax nature. Therefore, inclusive are federal
grants, mineral revenues, etc.

Source: New

Comment: Under this Section total state indebtedness, whether
contracted directly by the state or through any state

board, agency, or commission, and whether outstanding,
authorized and unissued, or proposed, shall not re-
sult in total annual debt service requirements exceeding
10 percent of the average total state revenue receipts for the preceding three years.

As used in this Section, "total state revenue receipts" includes revenues irrespective of sources. Thus, inclusive not only are tax collections, but also all other state revenues, i.e., federal grants, mineral revenues, etc.

As used in this Section, "debt service requirements" is intended to mean principal and interest due on all state obligations, regardless of the manner of incurring, and irrespective of status of the obligations, whether outstanding, authorized and unissued, or proposed.

Many states have avoided constitutional limitations on state debt by utilization of one or more concepts: the most often employed being the following: (1) revenue bonds and the special fund doctrine: this is a jurisprudential rule, followed in some states, which provides that issuance of revenue bonds, secured solely by revenue from designated sources not resulting directly in new or additional taxes, is a form of borrowing which is not a debt and, therefore, excluded from the maximum state debt limitation; (2) state boards, agencies, and commissions: some courts have held that where the incurrence of debt is contracted in the name of a state board, agency, or commission, state debt is not incurred and, therefore, the maximum state debt limitation is not applicable. It is intended this Section will prevent any and all evasion of the state debt limitation provided herein.

Section 4. State Debt; Maximum Time for Repayment

Section 4. Any bonded debt contracted by the state, directly or through any state board, agency, or commission, shall be redeemed within twenty-five years from date contracted or within a period not to exceed a reasonable estimate of the useful life of the project for which the debt was created as stated in the law authorizing the incurrence of debt for the project.

Source: New

Comment: This Section is intended to prevent the incurrence of debt for a period of time exceeding the useful life of the project for which the debt is incurred. If there is no reasonable estimate of the useful life of the project in the law authorizing incurrence of debt for the project, then the maximum term for repayment is 25 years. Under this Section it is intended future generations will not be burdened with obligations for which little, if any, benefit directly is received. Also this Section is intended to promote fiscal responsibility.

Section 5. State Debt; Political Subdivisions of the State; Issuance and Sale of Obligations; State Bond Commission; Approval Required

Section 5. (A) The State Bond Commission hereby is created and its membership shall be determined by the legislature.

(B) No bonds or other obligations shall be issued or sold by the state, directly or through any state board, agency, or commission, or by any political subdivision of the state, including but not necessarily limited to levee boards, school boards, police jurys, municipalities, port and harbor commissions, drainage, sewerage, and other special districts, unless prior written approval of the State Bond Commission is obtained.

Source: New

Comment: The State Bond Commission, which under present law (LSA-R.S. 39:401 et seg) is a statutory commission, is granted constitutional status. Membership of the commission shall be determined by the legislature.

No bonds or other obligations of the state or any political subdivision of the state shall be issued or sold without prior written approval of the State Bond Commission. It is intended for this requirement to be applicable irrespective of the nature of the security involved, i.e., whether obligation is supported by full faith and credit of state, full faith and credit of political subdivision of state, or by revenue bonds issued by political subdivisions.

Since the financial status of the state is affected not only by state indebtedness but also by indebtedness of the state's political subdivisions, to promote financial stability and fiscal responsibility it is the intention of this Section to require approval of the State Bond Commission of the issuance or sale of all obligations by the state and its political subdivisions.

Section 6. Collection of State Funds; Bond Security and Redemption Fund

Section 6. All moneys received by the state or by any state board, agency, or commission, immediately upon receipt, shall be deposited in the state treasury, except moneys received as grants or donations or other forms of assistance when the terms and conditions thereof require otherwise.

Subject to contractual obligations existing at the time this constitution is adopted, all state moneys
Security and Redemption Fund. In each fiscal year there hereby is allocated from the Bond Security and Redemption Fund an amount sufficient to pay all obligations, including but not necessarily limited to principal, interest, premiums, sinking or reserve fund requirements, which are secured by the full faith and credit of the state and which become due and payable within the current fiscal year. Thereafter, all moneys remaining in the Bond Security and Redemption Fund shall be credited to the State General Fund.

Comment: As used in this section, "All moneys received by the state or by any state board, agency, or commission" is intended to include all revenue receipts, irrespective of source.

The language "subject to contractual obligations existing at the time this constitution is adopted" is intended to protect the holders of outstanding obligations of the State of Louisiana and its boards, agencies, and commissions. Nothing herein is intended to impair any contractual obligations existing at the time this constitution is adopted.

The language "except moneys received as grants or donations or other forms of assistance" is intended to include all grants, donations, or other forms of assistance, whether public or private.

Under this section all obligations secured by the full faith and credit of the state additionally will be secured by the Bond Security and Redemption Fund, to which is allocated each fiscal year a sum sufficient fully to pay all obligations maturing within the current fiscal year. The Bond Security and Redemption Fund is intended to provide a first priority for payment of all obligations due and payable within the current fiscal year. After satisfaction of all such obligations, the balance in the Bond Security and Redemption Fund is credited to the State General Fund.

(A) Money shall be drawn from the state treasury only pursuant to an appropriation made in accordance with law. Each appropriation shall be for a specific sum of money and for a specified object.

(B) An appropriation shall be for a term not longer than two years, and the legislature shall provide for the publication of a regular statement of receipts and expenditures of all state moneys at intervals of not less than a year.

(C) An appropriation never shall allocate to any object the proceeds of any particular tax or a part or percentage thereof except when required by the federal government for participation in federal programs.

(D) An appropriation never shall be made under the head or title of contingent, nor shall an appropriation be made except for public purposes. Money never shall be taken from the public treasury, directly or indirectly, in aid of any church, sect or denomination of religion, or in aid of any priest, preacher, minister, or teacher thereof, as such, and a preference never shall be given to, nor any discrimination made against, any church, sect or creed of religion, or any form of religious faith or worship. An appropriation never shall be made to any person or community for private, charitable, or benevolent purposes, provided this shall not apply to the state asylums for the insane, and the state schools for the deaf and dumb, and the blind, and the charity hospitals, and public charitable institutions conducted under state authority.

Section 8. Management of State Funds; Budgets

(A) The governor shall submit to the legislature, at a time fixed by law, a budget estimate for the next fiscal year setting forth all proposed state expenditures and anticipated state revenues, and shall submit a general appropriation bill to authorize the proposed ordinary operating expenditures and, if necessary, a bill or bills containing recommendations in the budget for new or additional revenues.

(B) The governor shall submit to each regular session of the legislature a proposed five-year capital outlay program with a request for implementation of the first year of the five-year program. All capital outlay projects approved by the legislature shall be made a part of the comprehensive state capital budget which shall be adopted by the legislature.

Section 9. Management of State Funds; Public Record

(A) All reports and records of the collection, expenditure, investment, and use of state moneys and all reports and records relating...
to state obligations shall be matters of public record.

Section 10. Management of State Funds: Investment

Section 10. All available moneys for investment in the custody of the state treasurer shall be invested as provided by law.

Section 11. Management of State Funds; Loan or Pledge of Public Credit; Relief of Institute; Donation; Transfer of Property; Leasing of Health Institutions

Section 11. (A) The funds, credit, property or things of value of the state, or of any political corporation thereof, shall not be loaned, pledged, or donated to or for any person or persons, associations or corporations, public or private, provided nothing contained herein shall prevent intercooperation between the state and its political subdivisions or between political subdivisions; nor shall the state, nor any political corporation purchase or subscribe to the capital stock or stock of any corporation or association whatever, or for any private enterprise.

(B) Notwithstanding the provisions of this section, the legislature may grant necessary rights of way through its public lands for the construction of any railroad or flood control or navigation canal; and police justices and municipal corporations may utilize any charitable institutions within their corporate limits for the care, maintenance, and asylum of destitute persons, provided all appropriations made to such institutions shall be accounted for in the manner required of officials entrusted with public funds. Furthermore, the state, or any agency or political corporation or subdivision thereof, through authorized representatives, may donate perfect ownership, or otherwise convey, to the United States any property, movable and immovable, rights of way or servitudes, which they now own or may hereafter acquire, for the following public purposes: use, in connection with the improvement and maintenance of the navigation of natural waterways, the construction and improvement and maintenance of artificial navigable waterways and river and harbor works of every description and kind authorized by an Act or Acts of the Congress of the United States or Federal Statutes, or otherwise, and in connection with flood control works of every description and kind so authorized or in connection with airports, flying fields, landing fields, parks, forest preserves, canals, irrigation districts, hospitals, agricultural experiment and research stations, military posts, and for military uses; and for the purpose of acquisition and improvement of property for such purposes, may incur debt, issue bonds and levy taxes as otherwise provided in this constitution. The state or any of its agencies, political corporations or subdivisions may likewise maintain, in cooperation with or on behalf of the United States or any agency thereof, any right of way, servitude or easement acquired in connection with the construction or improvement of any artificial or natural waterway, any highway or railroad bridge spanning any such waterway.

(C) This Section shall not be held to prohibit any municipality from leasing or letting out to any person or persons, association or corporation, public or private, a hospital, clinic, sanitarium or any other institution, together with all incidental premises in connection therewith, belonging to or standing in the name of the municipality, provided the lease shall require a minimum of two percent per annum rental fee based on the total value of the facility at the date of the execution of the lease and provided that the question of granting such lease shall be previously submitted to the resident property taxpayers qualified to vote in the municipality wherein such lease is sought to be granted at an election called for that purpose and a majority of those voting, in number and amount, vote in favor thereof. Such election shall be called and held under existing laws providing for the calling and holding of elections to decide the question of incurring debt, issuing bonds, and levying special taxes. Provided further, said lease shall assure the public the leased premises shall be exclusively used for the main purpose for which same was acquired by the municipality.


Section 12. Release of Obligation to State; Parish or Municipal Corporation; Taxes on Confiscated Property

Section 12. The legislature shall have no power to release or extinguish, or to authorize the releasing or extinguishment, in whole or in part, of the indebtedness, liability, or obligation of any
corporation or individual to the state, or to any
parish or municipal corporation thereof; provided,
the heirs to confiscated property may be released
from all taxes due thereon at the date of its reversion
to them.


Section 13. Legislation to Enable Compliance with
Federal Laws and Regulations to Secure Federal
Aid in Capital Improvement Projects
Section 13. The legislature may enact
legislation to enable the state, its agencies,
municipalities and parishes and their agencies to
comply with federal laws and regulations in order
to secure federal participation in the cost of capital
improvement projects, and the legislature may authorize
the use of funds, dedicated to such agencies of govern-
ment for other purposes, to meet the requirements of
the federal statutes, including, by way of example
but not with the intention of limitation, providing
relocation assistance payments, housing for reloca-
tees, and similar federal requirements. Whenever the legis-

II. A. Staff Memoranda

Step 1. R.S. 39:45[A]

Each budget unit is required by law to submit to the Division of Administration, not later than January

15 of each year, an estimate of its financial require-
ments for the ensuing fiscal year beginning July 1.
Under R.S. 39:45 (B), the Division of Administration
is authorized to prepare a budget statement based on
the previous year's appropriation for any budget unit
that fails to submit or is delinquent in submitting
its budget estimates.

Step 2. R.S. 39:46; R.S. 39:312, 313

The governor must have in continuous process of prepar-
ation and revision a tentative budget for the next year
in the light of direct studies of the operation, plans,
and needs of budget units and of the yields of existing
and prospective sources of revenue. Upon receipt of the
estimates of the several budget units, the Governor must
cause to be made such further inquiries and investigations,
and such revisions of his tentative budget, as he may
warrant.

The governor may provide for public hearings on all
estimates and may require the attendance at such
hearings of the heads or representatives of each budget
unit. After such hearings, and after examination of the
estimates, the governor may revise the estimates
except those for the legislature and judicial departments.
The governor-elect may advise and confer with the governor
in the preparation and revision of estimates, and for
this purpose he shall have access to all estimates and
requests submitted by the budget units in compliance with
the instructions of the governor.

After receipt of the budget estimates from the several
budget units, the governor, through the Division of
Administration and working with and in conjunction with the
Legislative Budget Committee, makes such further
inquiries and investigations as may be warranted.

Step 3. R.S. 39:47

After such hearings or investigations, the governor may
revise the estimates, except those for the legislature
and judicial departments.

After revision by the governor, the executive budget
then is required to be presented to the legislature not
later than the 20th day of each 60-day session and not
later than the 10th day of each 30-day session.

Step 4. R.S. 39:41

The governor presents a copy of the executive budget

-w ith a complete financial plan for the ensuing fiscal
year to each member of the legislature not later than the
7th day of each session. In the year in which a
new governor is elected, a grace period of five days
is allowed.

Step 5. R.S. 39:43

When presented to the legislature, the executive budget
must include the following information:

a) Budget message;
b) Summary of financial condition of the state;
c) Summary of expenditures for the last fiscal year;
d) Statement of surplus account (general and special
funds);
e) Statement of total state debt;
f) Summary of each fund's cash position;
g) Drafts of proposed appropriation acts, and
h) Other information that the governor desires to
present.

Capital Outlay Budget: General
R.S. 39:61

The head of each budget unit except the State Department
of Highways, is required to present to the Division of
Administration, by January 15 of each year, a list of ex-

R.S. 39:2(7)

A budget unit is defined as any spending agency of the
state for which separate appropriations are made or which
operates upon dedicated revenues, or which may be declared
to be a budget unit by the board of liquidation of state
debt. Certain specific exclusions are contained in R.S.
39:4(B) which specifically excludes from the definition
the legislature and the judiciary, with the exception of
the office of Attorney General. It is noted that in recent
years, for purposes of their inclusion in the general ap-
propriations bill, estimates of the budget requirements of
the legislature and the judiciary and their agencies are
included in the state budget.

Steps involved in financial planning and budgeting are
as follows:

PUBLIC FINANCE

1. Financial Planning and Budgeting

The present constitution might be said to be silent on the
subject of financial planning and budgeting, despite the fact that
detailed provisions are included therein with respect to matters
affecting or causing a need for both, such as the provisions
relating to appropriations of public funds, public debt and the
like.

Article IV, Section 1 provides, among other things, that
"A regular statement and account of receipts and expenditures
of all public monies shall be published every three months, in
such manner as shall be prescribed by law." Apparently under the
general authority of this provision, together with such provisions
of the constitution as that contained in Article V, Section 2 to
the effect that "The supreme executive power of the State shall be
vested in a chief magistrate....", and in Section 14 of the same
Article that "He shall take care that the laws be faithfully
executed....," financial planning is made the primary respon-
sibility of the governor.

Part II of Title 39 of the Louisiana Revised Statutes
outlines the duties of the governor in the area of financial
planning and budgeting. These same provisions vest in the
Division of Administration within the Office of the Governor,
the primary responsibility for administering and supervising
the financial affairs of the state and all state agencies.

Central to the functions of the Division of Administration
is the financial planning for the operation of state agencies
that are designated as budget units. The pertinent statutory
provisions relating to financial planning are briefly discussed
below.

Subject RE: Outlines of Subject Matter Within Jurisdiction of Subcommittee

This memorandum outlines the various areas of public finance
which appear to be within the jurisdiction of the Subcommittee
on Public Finance.

Each budget unit is required by law to submit to the Division of Administration, not later than January
penditures for permanent physical improvements needed for the next five years.

After receiving the agency requests, the Division of Administration is required to evaluate all capital improvement requests and to prepare and submit to the governor a five-year capital improvement program.

Upon receipt of the recommended capital budget from the Division of Administration, the governor must submit a recommended capital outlay program to the legislature by the 7th day of each regular session.

**Capital Outlay Budget: Department of Highways**

R.S. 48:203

The Director of the Department of Highways prepares an annual budget for each fiscal year ending June 30. The budget is then submitted to the Board of Highways for approval, and thereafter to the governor for incorporation into the executive budget for approval.

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**II. Appropriations and Appropriating Process**

Const. Art. IV, §8

Prohibits appropriation of money for private purposes.

Const. Art. IV, §9

Requires itemization of appropriation bills.

Const. Art. IV, §10

Requires that each appropriation be for a specific purpose.

Const. Art. IV, §11

Prohibits appropriation by the legislature during the last five days of a session.

Const. Art. V, §16

Grants power to the governor to disapprove (veto) any item of any bill making appropriations.

R.S. 39:50

After the legislature finally passes and the governor approves the appropriation acts, the governor, through the Division of Administration, prepares a complete budget for the ensuing year.

R.S. 39:52

Appropriated amounts are made available to the budget units in allotment by quarters for the fiscal year, the allotments being based on work programs and requests of the budget units, subject to approval by the Commissioner of Administration.

R.S. 39:54

No expenditures for capital outlay programs for which appropriations are made, other than funds dedicated in the constitution to highway construction and maintenance, may be made until plans and specifications are approved by the governor.

**Dedicated Revenues**

The dedicating of revenues from particular sources for specific programs has long been a feature of state financing in Louisiana. Dedications are made both by constitutional and statutory provision. Both types, of course, are limitations upon the control of the legislature and the governor over annual state financial planning, budgeting and appropriations.

Some forty-two percent of the state's revenues are dedicated by the constitution to specific purposes. At least one recent study indicates that in excess of seventy-five percent of the taxes collected by the Department of Revenue are dedicated to specific purposes. This includes statutory as well as constitutional dedication.

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**III. Treasury Administration**

R.S. 39:131

As amended by Acts 261 and 341 of the 1972 Regular Session, all revenues are required to be placed in the state treasury immediately upon receipt by the collecting agency and whether or not dedicated to the use of the collecting agency or otherwise.

R.S. 39:132

Distribution of funds is made from the treasury to operating agencies and other funds.

R.S. 39:133(C)

Dedicated revenues are credited to specified agencies, but only as much thereof as is legislatively appropriated and available to the agency for expenditure.

**State Central Cash Management System**

Act 341 of 1972 authorizes a task force composed of the state treasurer, commissioner of administration and legislative auditor to study possibilities and feasibility of establishing a central cash management system for the state and required the task force report to the legislature at the beginning of 1973 regular session.

In addition, the Act requires the closing of all banking and checking accounts in the names of state agencies except those agencies whose program would be jeopardized as a result of the loss of federal funds or otherwise. All banking and checking accounts of the state are required to be in the name of the state treasurer.

R.S. 39:462

Authorizes the state treasurer to invest monies on deposit in the state treasury in time certificates if they are in excess of immediate cash requirements of the account to which the funds belong.

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**IV. Debt and Debt Service**

Const. Art. IV, §2

Permits the legislature to authorize state debt or the issuance of bonds upon two-thirds approval of its elected membership and then only for capital improvements, to repel invasion or suppress insurrection. Requires that the state's full faith and credit be pledged to the payment of bonds or other indebtedness backed wholly or partially by state taxes. Also provides that the amount, purposes and approximate location of projects for which bond proceeds are to be spent be specified either in the bond act itself or in the state's capital budget. Provides that public referendum is not required.


Creates the State Bond Commission as the central debt-issuing and management agency for the state, with authority to sell all bonds of the state and its agencies, of whatever type. The State Bond Commission is composed of the governor, the state treasurer (who is chairman), the attorney general, the chairman of the senate finance and house appropriations committees, the legislative auditor and the state comptroller.

Act 26 also establishes a new method of financing bonds covered by the 1966 constitutional amendment, that is, those backed wholly or partially by state taxes. Under the new financing method, all general revenues of the state flow first to the Bond Security and Redemption Fund, a special fund established in the state treasury. All state revenues are deposited in the Bond Security and Redemption Fund except those constitutionally dedicated, those previously dedicated by statute to bonds and certain other purposes.
The serial thin and the State all must be written longer:

The procedure Act incorporating principles of sound debt administration which apply to all bonds acts authorizing "full faith and credit" bonds of the state and its agencies. Among the principles established are:

1. Each bond act must specify the maximum amount of bonds that may be issued under its authorization.
2. Each bond act must follow the constitutional requirements that the purposes for which bond proceeds are to be used must be specified.
3. Bond proceeds may not be used to finance the state's operating expenses or deficits, to pay veterans' burors or to meet payments on other bond issues except by constitutional amendment.
4. All bonds must be sold at public sale by competitive bid, except those sold to the federal or state government.
5. All bonds must be in serial form.
6. The final date of maturity of bonds may not be longer than the life of the facility being constructed from bond proceeds.
7. The issuing agency has authority to determine the technical details of the bonds, thereby allowing flexibility to deal with changing conditions of the bond market.

The Laws of 1968 Extraordinary Session authorizes the state treasurer to establish, within the office of the treasurer, a State Debt Management Section. Duties assigned the Treasurer include:

1. Arranging for notice and sale of bonds issued by the State Bond Commission.
2. Seeing that the bonds are delivered and that payments are made.
3. Investing bond proceeds until funds are required by the appropriate spending agency.
4. Serving as a central clearinghouse for data on all debt of the state and its agencies and reporting to rating services, bond buyers, and other interested persons.

Audit

Article VI, Section 262 of the constitution, which became effective July 1, 1964, abolished the office of the Supervisor of Public Funds and transferred its functions to a legislative auditor to be elected by a simple majority of the members elected to each house of the legislature.

In addition to the examination and auditing functions which were transferred to the legislative auditor, the constitution required this officer to study and analyze state revenues and expenditures on a continuing basis and report thereon to the legislature to study and analyze budget requests and make recommendations thereon; to determine and have available at all times the status of the general and other funds of the state, the cash on hand and the budget appropriations and the amount actually expended. He is also required to prepare, at least 30 days in advance of each regular session, a written statement of the financial condition of the state treasury at the close of the preceding fiscal year and an estimate of anticipated revenue receipts for the current fiscal year and the next succeeding fiscal year.

III. Provisions of Louisiana Constitution of 1921 regarding revenues other than property taxes to be considered by the Subcommittee on Public Finance.

Article I, Section 25.1

Article X, Section 10

Article VI, Section 3

Article VI, Section 1

Article VI-A, Section 1

Article XIV, Section 21

Article X, Section 1

Article C, Section 1

Article XI, Section 1

Article XI, Section 1

Article XIV, Section 21

Article X, Section 1

[517]
Article IV, Section 1

19
1(a) 22
2 23
2(a) 24
4
8 Article XIV. Section 8
9
10 13
11 14
12 .5
12(a) .6
12(b) 17
12(c) 18
14 19
18 20
21
22
23

Article V, Section 16

16.5 7
16.6 8
19
19.4 Article XIV, Sections 9 through 24.1 Article XVII. Section 1
24.3 25.1
29 2
29.1 3
29.2 5
29.3 6
29.4 7
31 8
32 9
33 10
33.1 11
34 12
35 Article XIX, Section 11
36.1 19
25

Article X, Section 5

5.1
10
10(b)

CC/73 Research Staff
Committee on Revenue, Finance, and Taxation

Staff Memorandum No. 2A-Revised

SECTIONAL PROVISIONS: LOUISIANA CONSTITUTION OF 1921

ARTICLE III. LEGISLATIVE DEPARTMENT

Article III, §8 Annual sessions; general, budgetary and special sessions; duration; bills and joint resolutions; vacancies

§22 Revenue bills; origin; amendments

§25.1 Tax measures; amendments, conference committee reports; vote required

ARTICLE IV. LIMITATIONS

Article IV, §1 Appropriations; quarterly accounting

§1(a) Board of Liquidation of the State Debt

§2 Public debt; alienation of public lands; reservation of mineral rights; mineral leases; Royalty Road Fund; parish road bonds

§2(a) Board of Liquidation of State Debt; bonds; public works

* Obsolete. Repealed by Art. IV, §1(a) & Art. IV, §2

§2(b) Mineral revenues; minerals beyond three mile limit

* Obsolete. Repealed by Art. IV, §2(d)

§2(c) Mineral revenues; payment into General Highway Fund

§2(d) Revenue from tidelands mineral leases; use of

§4 Local or special laws; prohibited subjects

§8 Public funds; prohibited expenditure for sectarian, private, charitable or benevolent purposes; state charities; religious discrimination

-2-

Article IV, §9 Appropriation bills; form and contents

§10 Appropriations; purpose and amount; contingencies

§11 Appropriations; last five days of session, formality; extraordinary session

§12 Loan or pledge of public credit; relief of destitute; donations; transfers of property; bonds; leasing of health institutions; donation to U.S. for Veterans Hospital

* Obsolete in part: §4 providing for erection of State Capitol Building obsolete because bonds no longer outstanding; §5 obsolete because of Art. IV, §1(a); §6 is obsolete because bonds issued no longer are outstanding.

§17(a) Bonds; state indebtedness; Confederate veterans' pensions; reimbursement of General Highway Fund

* Obsolete because all bonds issued hereunder no longer are outstanding except bonds funding Confederate veterans' pensions, which bonds no longer will be outstanding on December 31, 1973.

§13 Release of obligation to state, parish or municipal corporation; taxes on confiscated property

§17 Legislative approval of bond issuance and appropriation by the Board of Liquidation; procedure; nullity of issue for failure to observe

§18 Legislation to enable compliance with federal laws and regulations to secure federal aid in capital improvement projects

-3-

Article V. EXECUTIVE DEPARTMENT

Article V, §16 Appropriation bills; veto of items

ARTICLE VI. ADMINISTRATIVE OFFICERS AND BOARDS

Article VI, §2 Forestry; acreage taxes; homestead exemptions

§16 Board of Commissioners of the Port of New Orleans
Board of Commissioners of the Port of New Orleans; limitations on bonded indebtedness

Board of Commissioners of the Port of New Orleans; additional powers and authority

State highways and bridges; construction and maintenance; traffic regulation; rights of parishes, municipalities, and political subdivisions

Board of highways; regulation and control of annual budget

Road districts; graduated contribution or benefit tax

General Highway Fund; expenditures; reimbursement of parishes

Obsolete in part: Subsections (d), (e), (f), (h), (i), (j) obsolete because various projects completed, and no bonds issued thereafter are outstanding. Subsection (k) was repealed by Acts 275 of 1952. Under Subsection (l) it is unclear whether aircraft is entitled to refund of motor fuel tax because such are not included within body of Subsection (l) although aircraft are listed in the heading. Presently Revenue Department allows refund for aircraft.

Long Range Highway Fund; revenues to be paid into fund; bonds for construction maintenance, improvement and extension of state highways; limitations; withdrawal of funds for state and parish highways and roads; continuation of certain taxes.

Financing of construction, maintenance and improvement of highways

Bonds for New Orleans-Chef Menteur and New Orleans-Hammond Highways

Obsolete because projects have been completed, and bonds no longer outstanding.

Automobile license taxes; authority to fund

Obsolete because projects have been completed, and bonds no longer outstanding.

Gasoline tax; applicability

Bridges; construction and maintenance

Obsolete because projects have been completed, and Louisiana Highway Commission ceased to exist in 1940.

Department of Revenue; legislative auditor; State Printing Board

Additional motor fuel tax

Dealers; persons taxable; definition

Importers; reports

Dealers; payment of tax; reports; bonds; enforcement; aircraft fuel

Disposition of collections; allocations; expenditures; inner-harbor navigation canal bridge or tunnel
political subdivision of the state which was segregated as to race by law when the tax was authorized

§6 Local, municipal and district taxes; assessment; collection

§7 Inheritance and donation taxes; exemptions

Article X, §8 License taxes; restrictions

§9 Banks, domicile out of state; international or foreign banking; tax

§10 Political subdivisions; special local taxes; purposes; limitations

* Obsolete in part: Paragraphs regarding Sabine Parish, Caddo Parish, and Jefferson Parish obsolete because projects accomplished and/or no outstanding bonds

§10A Special tax for municipal services

§10B Revenue sharing fund

§11 Collection of taxes; tax sales; quieting tax titles; postponement of taxes; loans to parishes

§12 Real estate valuation


§13 Local improvement assessments

§14 Local application of certain constitutional provisions

§15 Survey and maps to aid assessment and taxation; cost

§16 Rolling stock; nonresident owners; assessment

§17 Vehicles; license taxes; double taxation

§18 Collection of taxes; process to restrain; refunds

§19 Dwelling house exemption in certain municipalities; time limit

* Obsolete because of expiration of time limitation

ARTICLE X. AD VALOREM PROPERTY TAXATION

Article X-A, §1 Ad valorem property taxes by state repealed

§2 Outstanding bonds secured by pledge or dedication of state property taxes made general obligation of the state; payment from Bond Security and Redemption Fund

§3 Payment of Confederate pensions from general fund of the state

§4 Annual payment to Louisiana State University and Agricultural and Mechanical College

§5 Self-operative provision

ARTICLE XI. HOMESTEAD EXEMPTIONS

Article XI, §1 Property exempt; valuation; claim of benefit

Article XI, §2 Existing rights; debts excluded from exemption; enforcement of judgment, etc.

§3 Sales; waiver of homestead

§4 Exemption without registration; recordation in New Orleans

§5 Self-operative provision

ARTICLE XII. PUBLIC EDUCATION

Article XII, §8 Administrative departments; expenditures; legislative control

§9 Higher institutions of learning; appropriations

§10 No appropriation of public funds for private or sectarian schools

§11 Elementary and secondary school; sources of funds; apportionment

§12 Parish school funds; sources; management

§13 Orleans Parish School Board; tax rate; payment to levy commissioners; indebtedness; bond issue; additional tax

§14 Louisiana State University; sources of funds

* Obsolete insofar as dedication of $1,000,000 from 1 1/2 mill property tax because Art. X-A, §§1 & 4 provide for dedication from general fund

§15 Sixteenth section or indemnity lands; adjustments; distribution of proceeds

§16 Free school fund; state indebtedness; interest; proceeds of sale of sixteenth sections

§20 Seminary fund; state indebtedness; interest

§21 Agricultural and mechanical college fund; state indebtedness; interest

§22 Segregation of funds

ARTICLE XIV. PAROCHIAL AND MUNICIPAL AFFAIRS

Article XIV §7 Withdrawal of municipality from parochial taxing authority

[520]
§8 Parochial taxation in cities and towns; limitation
§9 Tax assessor
§10 Municipal consolidation: special taxes
§11 Parochial tax limits; tax for municipal, district and parish fairs
§12 Municipal tax limits; special taxes
§13 City of Shreveport bonds ratified and reaffirmed
   * Obsolete. All bonds issued pursuant hereto are no longer outstanding.
§14 Subdivisions of state; creation; indebtedness; bond issues; special taxes
§14(a) Subdivisions of state listed; indebtedness; bond issues; tax
§14(b.1) Purposes for parish, municipal, and school district bond issues
§14(b.2) Encouragement of industrial enterprises; bonds to acquire plant sites
   -11-

Article XIV, §14(c) Road districts, sub-road districts, and sewage districts - Formation authorized - Powers
   (c.1-§4)
§14(d) Irrigation, gravity drainage, and sub-drainage districts
§14(d-1) Fire protection districts
§14(d-2) Airport districts
§14(d-2) Hospital service districts
§14(d-4) Recreation districts; creation; indebtedness; bond; taxation; political subdivisions; validation
§14(e) Funding and refunding bonds
§14(f) Debt limits; drainage district acreage tax
§14(f.1) Monroe; treatment as parish-wide school district for purposes of debt and bond limits for school purposes
§14(g) Refunding bonds
§14(h) Maturity time limit; intent; price
§14(i) Taxes; action to enforce collection
§14(j) Taxes; imposition and collection by state or parochial officers
§14(k) Assumption of district indebtedness by parishes
§14(k-1) Consolidated gravity drainage districts
   [K-(1-b)]
§14(l) Issue and sale of bonds without election
§14(m) Revenue bonds; acquisition, etc., of utilities
§14(m.1) Delegation of power to commission or agencies
§14(n) Contest of bond issue or tax; time
   -12-

Article XIV, §14(p) Gravity drainage districts; acreage tax or forced contribution; bonds; maintenance and repairs
§14(q) Gravity drainage districts; tax levies; assessments and collection
§14(r) Gravity drainage districts; tax levies; assessments and collection; time and manner
§14(s) Gravity drainage districts; domicile; actions; officers
§14(t) Gravity drainage districts; bank deposits; fiscal agent
§19 Special tax to aid public utilities; elections; qualification of voters
§20 Board of Assessors for Orleans Parish
§21 State Tax Collector for City of New Orleans
§22 New Orleans; election of officers; form of government; powers; home rule charters
   * Obsolete insofar as ¶ 7 (P. 152 of Vol. III of West's Constitution) words beginning "An election shall ..." through ¶ 19, ending "subject to the requirements of this act."
§23.1 New Orleans; sewerage, water and drainage system; special tax; disbursements
§23.2 New Orleans; sewerage, water and drainage system; extension; special tax
   * ¶ (1) obsolete; superseded in part by Article 14, §23.42.
§23.3 New Orleans; sewerage and water board; water rates; sinking fund; water works construction
§24 New Orleans; Board of Liquidation of City Debt; bond issues for public improvements
   -13-

Article XIV, §24.1 Motor fuel; local taxation prohibited
§24.2 New Orleans; sewerage, water and drainage bonds; authorization
§24.3 New Orleans; sewerage, water and drainage bonds; authorization by election
§24.4 New Orleans; sewerage, water and drainage bonds; funds for payment
§24.5 New Orleans; sewerage, water and drainage bonds; tax
§24.6 New Orleans; sewerage, water and drainage bonds; payment; tax exemption; authorized investment or security
§24.7 New Orleans; sewerage, water and drainage bonds; interest; form
§24.8 New Orleans; sewerage, water and drainage bonds; sale
§24.9 New Orleans; sewerage, water and drainage bonds; use of proceeds
§24.10 New Orleans; sewerage, water and drainage bonds; Board of Liquidation; duties
§24.11 New Orleans; sewerage, water and drainage bonds; self-operative provisions
§24.12 New Orleans; 1930 Bond Issue; authorization
§24.13 New Orleans; 1930 Bond Issue; purposes
§24.14 New Orleans; 1930 Bond Issue; debt limit
§24.15 New Orleans; 1930 Bond Issue; funds pledged for payment
§24.16 New Orleans; 1930 Bond Issue; tax
§24.17 New Orleans; 1930 Bond Issue; payment; tax exemption; authorized investment; security for deposits

Article XIV, §24.18 New Orleans; 1930 Bond Issue; interest; form
§24.19 New Orleans; 1930 Bond Issue; sale of bonds
§24.20 New Orleans; 1930 Bond Issue; application of revenues to payment
§24.21 New Orleans; 1930 Bond Issue; self-operative provisions
§24.22 New Orleans; 1930 Bond Issue; emergency borrowing
§25 New Orleans; special tax for fire and police departments
§26 New Orleans; Public Belt Railroad; Commission
§27 New Orleans; Public Belt Railroad; bonds and notes
§28 New Orleans; Public Belt Bridge over Mississippi; use; financing
§30.2 Lake Charles Harbor and Terminal District; ratification
§30.3 Navigation and river improvement districts; creation as political subdivisions

ARTICLE XVI. LEVEES
Article XVI, §2 District taxes; Orleans Levee District tax and refunding bonds; increase in tax to raise additional funds
§3 Bond issues

ARTICLE XVIII. PENSIONS
Article XVIII §1 Soldiers’ home
§ Obsolete because Camp Nicholls is not in existence.

Article XVIII, §2 Confederate veterans and their widows; pensions
§ Obsolete because soon to be obsolete.
§ Confederate veterans and their widows; tax for pensions; bonds
§ Obsolete because soon to be obsolete.
§ Confederate veterans and their widows; back pensions; bond issue; tax; transfer of functions

* Obsolete; Social Security and Public Welfare
* Obsolete (in part); Subdivision (3) providing for dedication of 3/4 mill property tax has been repealed by Article X-A.
* Confederate memorial medical center; correctional, charitable and penal institutions; bonds; tax
* Obsolete as far as bonds authorized hereunder are outstanding and purposes provided for hereunder have not been accomplished.
*
* Bonuses for service-men and service-women; bonds; tax
* Obsolete because bonuses have been paid, and no bonds are outstanding.
*
* Bonuses; veterans of Korean Conflict; widows, orphans, or parents; indebtedness; tax; surplus

Article XVIII, *

Article XVIII, * Obsolete because bonuses have been paid and no bonds are outstanding.
§12 Korean bonus
§ Obsolete because bonuses have been paid and no bonds are outstanding.
§13 Veterans of Spanish American War; Boxer Rebellion; Philippine Insurrection and World War I; bonus
* Obsolete because bonuses have been paid and no bonds are outstanding.
§13 Viet Nam bonus bonds

ARTICLE XIX. GENERAL PROVISIONS
Article XIX §8 Gambling; futures of agricultural products; lotteries
§9 Immovable property; recordation of mortgages, privileges, etc.; prescription of taxes and licenses; privileges on moveable property

ARTICLE XX. PENITENTIARY
Article XX §1 Bond issue; Angola plantation enlargement and improvement
* Obsolete because of expiration of time limitation provided herein

CC/73 Research Staff
Committee on Revenue, Finance and Taxation
March 16, 1973
Staff Memo No. 3

RE: Membership of Subcommittees

I. Property Taxes (State and Local) – Committee of the Whole
A. Levy
B. Exemptions and Exclusions; Deductions; Rebates, etc.

C. Tax Commission; Assessors and Assessment

D. Collection

E. Contest

MEMBERSHIP

All members of the Committee

II. Revenues Other Than Property Taxes (State and Local)

A. Taxes

1. Taxes Collected by Department of Revenue
2. Taxes collected by other agencies
3. Local Taxes
4. Exemptions; Exclusions; Deductions; Rebates; etc.

B. Mineral Revenues

C. Other Revenue Sources

D. Federal Grants

MEMBERSHIP

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<td>Representative</td>
<td>Napoleonville</td>
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<td>2) Mr. Deblieux</td>
<td>Senator</td>
<td>Baton Rouge</td>
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<td>3) Mr. Nunez</td>
<td>Senator</td>
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<td>4) Mr. Slay</td>
<td>Assessor</td>
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<td>5) Mr. Chohardy</td>
<td>Assessor (A)</td>
<td>Metairie</td>
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<tr>
<td>6) Dr. Mauberret</td>
<td>Attorney</td>
<td>New Orleans</td>
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<td>7) Mr. Pontenot</td>
<td>Attorney</td>
<td>Ville Platte</td>
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<td>8) Mr. Newton</td>
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<td>9) Mr. Planchard</td>
<td>Farmer</td>
<td>Sulphur</td>
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<td>10) Mr. McDaniel</td>
<td>Farmer</td>
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<tr>
<td>11) Mr. Champagne</td>
<td>Farmer</td>
<td>Port Barre</td>
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III. Public Finance (State and Local)

A. State Finance

1. Financial Planning and Budgeting, including Capital Outlay Budget
2. Appropriations and Appropriating Process (Including Dedicated Revenues)
3. Treasury Administration
4. Debt and Debt Service
5. Audit

MEMBERSHIP

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<tr>
<th>Name</th>
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<tr>
<td>1) Mr. Brown</td>
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<td>Representative</td>
<td>Westwego</td>
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<td>3) Mr. Lowe</td>
<td>CPA (former legislator)</td>
<td>Port Allen</td>
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<td>4) Mr. Winchester</td>
<td>Assessor</td>
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<td>5) Mr. Hirc</td>
<td>Assessor (A)</td>
<td>Donaldsonville</td>
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<tr>
<td>6) Mr. Smith</td>
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<td>8) Mr. Schmitt</td>
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<td>9) Mr. Reimer</td>
<td>Farmer</td>
<td>Bossier City</td>
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<tr>
<td>10) Mr. Badeaux</td>
<td>School Board Member</td>
<td>Houma</td>
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<tr>
<td>11) Mr. Edwards (A)</td>
<td>Attorney/sheriff</td>
<td>Amite</td>
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NOTES

Staff Memo No. 4 reproduces a list of bonded indebtedness of the State as of January 1, 1972, from the Louisiana Municipal Bond Service Annual.

Revenue, Finance, and Taxation

Topics for Discussion

April 27, 1973 and April 28, 1973

I. Property Taxation

A. Assessment Procedure
   1. Tax Basis
   2. Definition of Actual Cash Value
      (a) Sales Price
      (b) Appraisals
      (c) Reappraisals
   3. Classifications of Property
      B. Exemptions
      C. Limitations
      1. Rates of Taxation by Political Subdivisions
      2. Debt (state and local)

II. Revenues Other Than Property Taxes

A. Taxation
   1. General Power in Legislature
   2. Limitations
   3. Sources of Revenue

III. Public Finance

A. Dedication
B. Debt
C. Appropriations

The attached appendixes are summaries of the tax structures of state and local governments in the United States. They will be useful in comparing the tax structure of Louisiana with other state and local governments.

Appendix I shows the basic sources of per capita revenue and rank for state governments for the year 1969. Louisiana collected $207.40 in per capita state taxes in 1969 compared to a fifty state average of $208.48 per capita. In 1971 Louisiana collected $268.60 per capita and ranked eighteenth among all states in taxes collected, whereas in 1969, Louisiana ranked twentieth. (See Appendix II.)

Appendix I further indicates that Louisiana depends upon sales and gross receipt taxes for a large portion of its revenue (96.86 per capita). However, this total ranked forty-third among all states in per capita sales and gross receipts tax collections. Louisiana also ranks relatively low in all taxes collected: motor vehicle license, forty-eighth; individual income, thirty-fourth; corporate income, thirtieth; death and gift,
Appendix II shows that Louisiana ranked eighteenth in per capita state taxes collected in 1971 and first among the surrounding states of Alabama, Arkansas, Florida, Georgia, Kentucky, Mississippi, and Texas. However, Appendix III gives a better picture because it includes state and local per capita taxes collected. Louisiana ranked thirty-fourth among all states ($379.38 per capita in 1970) which was first among the surrounding states mentioned above. However, the thirty-fourth ranking indicates that Louisiana depends on its state government to finance most of its public goods and services.

Appendix III also gives the per capita property tax collections of the state and local governments. Louisiana ranks forty-sixth, with $71.95 per capita. It should be noted that Kentucky ranked forty-seventh, with $70.35 per capita. This was 1970 data, which was four years after equalization of property taxes and the assessment of property at 100 percent of fair market value.

Appendix IV shows the collections from income taxes, property taxes, sales and gross receipt taxes, and all other taxes for the federal, state, and local governments. It is important to note that property tax collections represent 84.6 percent of the tax revenue of local governments in the United States. Appendix V indicates that property taxes represent 58 percent of the tax collections of local government in Louisiana in 1970 ($407,800,000 taxes collected and $236,600,000 property taxes collected).

Appendix VI shows the tax effort made by state governments in 1969. Tax effort is defined as the percentage of the state’s per capita personal income paid in per capita state taxes (does not include federal or local taxes). In 1969, Louisiana ranked fifth among all states in tax effort.

This was due mainly to the low per capita personal income (forty-fifth) and the large amount of severance taxes collected.

In 1971, Louisiana paid $468.81 per capita in federal taxes, $268.38 per capita in state taxes, and $110.50 per capita in local taxes, which was a total of $848.78 per capita taxes paid. Therefore, in 1971, Louisiana citizens paid an average of 26.7 percent of their per capita personal income ($3,252) in federal, state, and local taxes.

Appendices VII and VIII are attached to give the data of all states’ individual income tax structures and sales tax structures in 1972. Appendix VII gives the rates applied to taxable income, taxable income brackets, personal exemptions, and if federal income tax is deductible or not in computing state taxes. Appendix VIII gives the state general sales and gross receipts tax rates, state cigarette tax rates, and state motor fuel tax rates for state governments in 1972.

These appendices, it is believed, will be of value to consideration of matters relating to the provisions to be included in the new constitution concerning Louisiana’s tax structure.
3. Issuing bonds for the construction, repairs and equipment of certain correctional and charitable institutions.

In 1944, an attack was made upon the appropriation powers of the board and as a result thereof, the Supreme Court of Louisiana declared in Caro v. Board of Liquidation of State Debt. 205 La. 368, 17 Ro. 2d 358 (1944) that all acts purporting to give the board the right to transfer and appropriate state moneys were unconstitutional. With this declaration of unconstitutionality there was no method of meeting minor emergencies in the state without calling a special session of the legislature. In 1944, a constitutional amendment was adopted to permit contingency borrowing under limitations, which would reserve to the legislature its constitutional power of appropriation:

Art. 4 § 1(a) Board of liquidation of the state debt

Section 1(a). Creation; membership. The Board of Liquidation of the State Debt, which shall be composed of the Governor, his Executive Council, the Lieutenant Governor, Speaker of the House of Representatives, Chairman of the House Appropriations Committee, Chairman of the Senate Finance Committee, Auditor and Treasurer, is hereby created.

Interim appropriations and borrowing. Whenever, during the interregnum between sessions of the Legislature, the Board of Liquidation of the State Debt shall find and determine that the appropriations for, or revenues of, any budget unit of the State are insufficient to care for such unit adequately, or that an emergency exists, it is hereby authorized and empowered to appropriate from any surplus in the General Fund of the State, as certified by the Treasurer, or to borrow upon the credit of the State, any amount that it may find necessary to care for said budget unit of the State, after having obtained the written consent of a majority of the members elected to each House of the Legislature, which consent may be obtained either by letter or telegram. In submitting proposed items of appropriation and/or loans, the Board shall submit them in such form as to enable members to express their approval or disapproval of such each item, provided that communications approving or disapproving such proposed items shall be deposited with the State Auditor and shall be a public record.

Maximum borrowing and appropriation. The maximum amount which may be borrowed and/or appropriated for any budget unit under this authority shall be in no event exceed, during any fiscal year, One Hundred Thousand Dollars ($100,000.00); provided, that the total amount which may be borrowed and/or appropriated by the Board of Liquidation of the State Debt under this authority during any fiscal year, for all budget units shall in no event exceed One Million Dollars ($1,000,000.00); and provided, further, that the total amount of loans under this authority outstanding at any one time shall in no event exceed Two Million Dollars ($2,000,000.00).

Conditions and determinations. In determining the questions of fact to form the basis of the proper exercise of the authority hereby conferred, the Board of Liquidation of the State Debt shall consider such works programs, showing the purposes for which the amounts needed are to be expended, as such budget unit may be required by law to furnish the Department of Finance, together with such other information relative to the amounts necessary to be expended and the probable receipts from all sources of revenue as said Board of Liquidation of State Debt may require, with full opportunity to the head of any department, office, agency or institution charged with the checking and appraising of such work programs, and to the head of the budget unit requesting such additional funds, to be heard and make recommendations thereon.

No bonds. Meetings of the Board of Liquidation of the State Debt shall be held on not less than twenty-four (24) hours notice to its members and any citizen shall have the right to attend such meetings.

Payment of bonds. Whenever the Board of Liquidation of the State Debt has made any loan and there is, at any time thereon, available in the General Fund of the State of Louisiana, according to the order of the Treasurer of the State, any surplus sufficient to pay back said loan, or any part thereof, then on request of the Treasurer for authority so to pay, the Board of Liquidation of the State Debt shall authorize the Treasurer to pay said loan, or any part thereof, out of said surplus.

Compliance with resolutions. It shall be the mandatory duty of the State Treasurer, and all other public officers, to comply with any resolutions of the Board of Liquidation of the State Debt adopted pursuant to this section.

Validation of existing indebtedness. All outstanding bonds, notes, certificates of indebtedness, or other evidences of indebtedness, issued by the Board of Liquidation of the State Debt at a time before existing, or by the Governor under its authority, are hereby validated and declared to be the legal and binding indebtedness of the State of Louisiana.

Transfer of authority. The power and authority now vested in the Board of Liquidation of the State Debt herebefore existing in any provision of the Constitution in effect at the time this amendment was adopted and by Act 77 of 1958 relative to the selection of fiscal agent banks are hereby transferred to the Board of Liquidation of the State Debt herein created. All other provisions of law relative to the Board of Liquidation of the State Debt are hereby repealed.

Construction. This section shall be self-operative. (Amended Acts 1958, No. 327, adopted Nov. 7, 1958.)

II. Contingency Appropriations in Other States

Generally, there are three methods utilized by other states to provide procedures for taking care of unforeseen emergencies or contingencies:

1. Express prohibition against withdrawal of funds from the treasury by other than legislative act.

2. Inclusion of a "contingent fund" in the regular budget.

3. Arrangements for the transfer of funds between departments.

The more recent changes in state constitutions and proposals have the objective of relaxing debt restrictions rather than imposing controls. The following is a brief survey of methods employed by other states to provide for emergency funds.

The Model State Constitution. The 1948 edition of the model state constitution of the National Municipal League placed no limitation on the amount of debt which could be incurred by the state but required a popular referendum:

Section 702. Debt Limitations. No debt shall be contracted by or in behalf of this state unless such debt shall be authorized by law for a single project or object distinctly specified therein; and no such law shall, except for the purpose of repelling invasion, suppressing insurrection, defending the state in war, meeting natural disasters or redeeming the indebtedness of the state outstanding at the time this constitution is approved, take effect until it shall have been submitted to the qualified voters as a regular election. No law may be enacted at any election if a majority of all votes cast upon such question at such election except that the law may by law borrow money to meet appropriations for any fiscal year in anticipation of the collection of the revenues of such year, but all debts so contracted in anticipation of revenues shall be paid within one year.

The 1963 edition of the model state constitution deletes the referendum requirement and contains only the following debt provision:

Section 701. State Debt. No debt shall be contracted by or in behalf of this state unless such debt shall be authorized by law for projects or objects distinctly specified therein.

Alaska. The Alaska constitution (1958) is similar in principle to the provisions of the 5th edition of the model state constitution. It establishes no debt limit but requires a popular referendum:

No debt shall be contracted unless authorized by law for capital improvements and ratified by a majority of the qualified voters of the State who vote on the question. The State may, as provided by law and without ratification, contract debt for the purpose of repelling invasion, suppressing insurrection, defending the state in war, meeting natural disasters, or redeeming indebtedness outstanding at the time this constitution becomes effective. (Article IX, Section 8)

Pennsylvania. The Pennsylvania constitution contained stringent debt restrictions which necessitated constitutional amendment for direct state borrowing. The result was the establishment of public authorities for the purpose of securing financing for public improvements. Pennsylvania's constitutional convention adopted and submitted to the voters on April 23, 1968, debt provisions which substantially relaxed the method of debt authorization. The key provision provides as follows:
Debt may be incurred without the approval of the electors for capital projects specifically itemized in a capital budget, if such debt will not cause the amount of all net debt outstanding to exceed one and three-quarters times the average of the annual tax revenues deposited in the previous five fiscal years as certified by the Auditor General... (Proposal No. 3, Section 1a(31)).

In California the director of finance administers an emergency fund. He may allocate any portion thereof which he deems necessary to meet contingencies for which no appropriation or an insufficient appropriation has been made by law.

In New York the governmental emergency fund was created to meet unanticipated financial requirements. This fund may be drawn upon only after the governor certifies the conditions which require an expenditure from it and after the legislative officials certify that they will recommend an appropriation sufficient to replenish the fund at the next legislative session.

In Arkansas, the governor issues emergency proclamations containing the amount of funds required to be expended. Expenditures are reimbursed to the State General Services Fund Account by transfers from funds supporting the benefitting agencies.

III. Summary

As the above examples indicate, other states can readily provide for emergencies through an appropriation made to a contingency fund. In Louisiana this is impossible because of the present provision contained in Article IV, Section 10 which expressly forbids any appropriation to a contingency fund.

The question of appropriation of state funds during the interim between legislative sessions without a specific appropriation raises the issue of the feasibility of: 1) an appropriation to a body authorized to allocate such appropriated funds for emergency purposes during the interim, or 2) constitutional authorization to a body to appropriate funds for emergencies from the general fund during the interim with certain limitations. The Louisiana Board of Liquidation of the State Debt falls into the latter category.

Table I gives the relevant constitutional and revised statute articles of how neighboring states of Louisiana provide for industrial tax exemptions and Table II contains the itemization of methods of providing for industrial tax exemptions by state constitutions.

Thirteen states (Column 1, Table II) specifically provide for industrial tax exemptions in their constitutions, while eight states (Column 2) specifically prohibit them. Both Nebraska's and Utah's Constitutions state that the enumerated exemptions provided for in their respective constitutions are the only ones allowed. Thus, both constitutions, by not providing for industrial tax exemptions, prohibit them.

The majority of state constitutions (23) do not mention industrial tax exemption, and six state constitutions (Column 4) merely authorize the legislature (or general assembly) to make such exemptions as they think desirable (not mentioning exemptions for industry in particular).

The breakdown for states neighboring Louisiana is as follows: Arkansas, Mississippi, and Florida specifically provide for industrial tax exemptions in their constitutions, whereas the Alabama and Texas Constitutions do not mention industrial tax exemptions.

Summary of Constitutional Provisions: Selected States

Alabam: Not specifically mentioned.

Arkansas: Capital invested in Arkansas textile mill exempted for seven years from date of location of mill (Am 12).

Governor and Industrial Commission may investigate, contract with owners of manufacturing or processing establishment to be located in state, or owners making addition to existing establishment, for exemption from state property tax; terms, conditions to be as governor and commission deem to best interest of state; no exemption longer than tax calendar years; exemptions to cease upon violation of terms, conditions. (Am 27).

Legislature may by general law exempt for term of seven years from the ratification of this constitution (1874) the capital invested in any kind of manufacturing business in the state under such regulations and restrictions as prescribed by law (Am X 3).

All industrial plants established after 1938 and engaged in certain types of manufacturing, to be exempt from all taxation for 15 years, but no exemption to extend beyond 1948. Certain real estate exempted. Art. IX, 12.

Mississippi: Legislature may grant exemption from taxation in the encouragement of manufactures and other new enterprises of public utility extending for a period not exceeding five years; time of such exemptions to commence from date or charter, if to a corporation and if to an individual enterprise, then from the commencement of work; when legislature grants such exemptions for period of five years or less, it shall be done by general laws distinctly enumerating classes of manufactures and other public utility enterprises entitled to exemption and prescribing mode and manner of determining right to such exemption. (Art. VII 182). General laws to authorize exemptions by cities and towns of all property used for manufactories within their limits from municipal taxation for a period not longer than 10 years to aid and encourage establishment of such works (Art. VII 192).
Texas: None. [All laws exempting property from taxation other than the property mentioned above (i.e. for church, nonprofit organizations, etc.) shall be null and void. (Art. XIII Sc. 2)].

Revised Statutes

Alabama: 51, Sc. 3-9
Court of county commissioners, or other court or board having like jurisdictions of any county and the constituted authorities of any city or town in which it is proposed to locate are authorized and empowered to remit the taxes assessed for all county and municipal purposes except for any school or school district purposes, for a period not exceeding ten years; period of foregoing exemptions should not be extended.

Arkansas: (84-208)
Textile mills--tax exempt. (Am 12) for a period of seven years.

County board of supervisors and municipal authorities are authorized to give exemptions not to exceed ten years, except for school or school districts, for hotels bordering the Gulf of Mexico, county board of supervisors - not to exceed five years, municipal authorities - not to exceed ten years. Municipalities may also grant exemptions.

Florida: (289.181, 192.54, 201.10).
(289.181) Any tax exemptions, tax credits, etc. granted to banks, savings and loan associations, and other financial institutions by 192.54 and 201.10 or by any general laws are granted to corporations organized pursuant to this article.
(201.10) Certificates of deposit are exempt.

Texas: No mention of industrial tax exemption in revised statutes.
Legislature has power to exempt industrial plants from taxation (Crow v. General Cable Corp. 137 So 657; Pullman Car, etc., Corp. v. Hamilton 155 So 616) and may delegate power to local government unit to exempt industrial plant from taxation for limited period as inducement to locate in state.
Crow v. General Cable Corp. 137 So 657.
This does not apply to plants already constructed.
<table>
<thead>
<tr>
<th>State</th>
<th>Constitutional Provision</th>
<th>Statute</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alabama</td>
<td>(does not mention)</td>
<td>51, Sec. 3-9</td>
</tr>
<tr>
<td>Arkansas</td>
<td>Am 12, 27; Art. X, Sec. 3</td>
<td>84-208</td>
</tr>
<tr>
<td>Florida</td>
<td>Art. IX, 12</td>
<td>289.181, 192.54, 201.10</td>
</tr>
<tr>
<td>Mississippi</td>
<td>Art. VII, Sec. 182, 192</td>
<td>27-31-101 (formerly §9703)</td>
</tr>
<tr>
<td>Texas</td>
<td>Art. VIII, Sec. 2 (prohibit)</td>
<td>----------------------------</td>
</tr>
</tbody>
</table>
### TABLE II

**Itemization of Methods of Providing for Industrial Tax Exemption by State Constitutions**

<table>
<thead>
<tr>
<th>State Constitutions Specifically Providing for Industrial Tax Exemptions</th>
<th>State Constitutions Specifically Prohibiting Industrial Tax Exemptions</th>
<th>State Constitutions Not Specifically Providing for Industrial Tax Exemptions</th>
<th>State Constitutions Leaving Exemptions in Discretion of Legislature</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Column 1)&lt;sup&gt;1&lt;/sup&gt;</td>
<td>(Column 2)</td>
<td>(Column 3)</td>
<td>(Column 4)&lt;sup&gt;2&lt;/sup&gt;</td>
</tr>
<tr>
<td>Alaska</td>
<td>Colorado</td>
<td>Alabama</td>
<td>Delaware</td>
</tr>
<tr>
<td>Arizona</td>
<td>Idaho</td>
<td>California</td>
<td>Oregon</td>
</tr>
<tr>
<td>Arkansas</td>
<td>Iowa</td>
<td>Connecticut</td>
<td>Rhode Island</td>
</tr>
<tr>
<td>Florida</td>
<td>Missouri</td>
<td>Hawaii</td>
<td>Washington</td>
</tr>
<tr>
<td>Georgia</td>
<td>Montana</td>
<td>Illinois</td>
<td>West Virginia</td>
</tr>
<tr>
<td>Kentucky</td>
<td>Nebraska</td>
<td>Indiana</td>
<td>Wyoming</td>
</tr>
<tr>
<td>Louisiana</td>
<td>Ohio</td>
<td>Kansas</td>
<td></td>
</tr>
<tr>
<td>Mississippi</td>
<td>Utah</td>
<td>Maine</td>
<td></td>
</tr>
<tr>
<td>Oklahoma</td>
<td>Maryland</td>
<td>Massachusetts</td>
<td></td>
</tr>
<tr>
<td>South Carolina</td>
<td>Michigan</td>
<td>Michigan</td>
<td></td>
</tr>
<tr>
<td>Tennessee</td>
<td>Mississippi</td>
<td>Nevada</td>
<td></td>
</tr>
<tr>
<td>Virginia</td>
<td>New Hampshire</td>
<td>New Hampshire</td>
<td></td>
</tr>
<tr>
<td>Wisconsin</td>
<td>New Jersey</td>
<td>New Jersey</td>
<td></td>
</tr>
<tr>
<td></td>
<td>North Carolina</td>
<td>North Carolina</td>
<td></td>
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<tr>
<td></td>
<td>North Dakota</td>
<td>North Dakota</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Pennsylvania</td>
<td>Pennsylvania</td>
<td></td>
</tr>
<tr>
<td></td>
<td>South Dakota</td>
<td>South Dakota</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Texas</td>
<td>Texas</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Vermont</td>
<td>Vermont</td>
<td></td>
</tr>
</tbody>
</table>

1. These states have constitutional article allowing industrial tax exemption

2. These states leave all exemptions including industrial tax exemptions in the state legislature.

RE: Comparative Analysis of State Property Tax Laws

The Committee on Revenue, Finance and Taxation of the Constitutional Convention of Louisiana of 1973 has requested that the research staff prepare a brief survey of the property tax laws of the fifty states. The purpose of this memorandum is to provide a factual background for a discussion on the administration of the property tax system in the fifty states.

Table I shows the legal valuation concepts and taxable values thereof, in the fifty states. Valuation concepts used by the states vary considerably and are expressed in such terms as "actual value", "true cash value", "fair value", "fair cash value", and "fair market value", etc. Approximately 17 states have taxable values of 100%. At least two additional states provide that taxable values may go as high as 100%. In the remaining 31 states, taxable values range from 1% of the "value in money" in Vermont to 60% of the "fair market value" in Alabama.

Table II lists the states that conduct ratio studies and further indicates whether the report is published and made available to the general taxpaying public. Of the forty-two states that conduct assessment ratio studies on a regular basis, eleven states do not publish the results. With regards to the distribution of these studies, in only two states--Hawaii and South Dakota--are the studies and results thereof, distributed explicitly to the general public although a number of states make the studies available to private citizens upon request. In general, the studies are distributed to public officials only.

Table III shows the various ways in which the states utilize the assessment ratio studies. Thirty-one states use the ratio study to equalize assessments and twenty-nine states use the studies to apportion funds (Table III). Other uses of the assessment ratio studies range from the evaluation of methods used in making appraisals in Hawaii to the establishment of debt limits for local government purposes in New Jersey.

**Table I: State Assessment Standards, 1973**

<table>
<thead>
<tr>
<th>JURISDICTION</th>
<th>LEGAL VALUATION CONCEPT</th>
<th>TAXABLE VALUE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alabama</td>
<td>fair market value</td>
<td>60%</td>
</tr>
<tr>
<td>Alaska</td>
<td>full and true value</td>
<td>up to 2%</td>
</tr>
<tr>
<td>Arizona</td>
<td>full cash value</td>
<td>18-60%</td>
</tr>
<tr>
<td>Arkansas</td>
<td>true market value</td>
<td>up to 20%</td>
</tr>
<tr>
<td>California</td>
<td>full value</td>
<td>35%</td>
</tr>
<tr>
<td>Colorado</td>
<td>actual value</td>
<td>30%</td>
</tr>
<tr>
<td>Connecticut</td>
<td>fair market value</td>
<td>up to 10%</td>
</tr>
<tr>
<td>Delaware</td>
<td>true cash value in money</td>
<td>100%</td>
</tr>
<tr>
<td>Florida</td>
<td>full cash value</td>
<td>up to 100%</td>
</tr>
<tr>
<td>Georgia</td>
<td>fair cash value</td>
<td>100%</td>
</tr>
<tr>
<td>Hawaii</td>
<td>fair and reasonable value</td>
<td>varies by district</td>
</tr>
<tr>
<td>Idaho</td>
<td>full market value</td>
<td>25%</td>
</tr>
<tr>
<td>Illinois</td>
<td>fair cash value</td>
<td>50%</td>
</tr>
<tr>
<td>Indiana</td>
<td>true cash value</td>
<td>21 1/2%</td>
</tr>
<tr>
<td>Iowa</td>
<td>actual value</td>
<td>27%</td>
</tr>
<tr>
<td>Kansas</td>
<td>fair market value</td>
<td>30%</td>
</tr>
<tr>
<td>Kentucky</td>
<td>fair cash value</td>
<td>100%</td>
</tr>
<tr>
<td>Louisiana</td>
<td>actual cash value</td>
<td>not below 25%</td>
</tr>
<tr>
<td>Maine</td>
<td>at just value in compliance with state law</td>
<td>100%</td>
</tr>
<tr>
<td>Maryland</td>
<td>full cash value</td>
<td>100%</td>
</tr>
<tr>
<td>Massachusetts</td>
<td>full cash value</td>
<td>100%</td>
</tr>
<tr>
<td>Michigan</td>
<td>true cash value</td>
<td>up to 50%</td>
</tr>
<tr>
<td>Minnesota</td>
<td>market value</td>
<td>varies by class</td>
</tr>
<tr>
<td>Missouri</td>
<td>true value in money</td>
<td>100%</td>
</tr>
<tr>
<td>Montana</td>
<td>true and full value</td>
<td>up to 60%</td>
</tr>
<tr>
<td>Nebraska</td>
<td>actual value</td>
<td>35%</td>
</tr>
<tr>
<td>Nevada</td>
<td>full cash value</td>
<td>35%</td>
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<tr>
<td>New Hampshire</td>
<td>true value</td>
<td>100%</td>
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<tr>
<td>New Jersey</td>
<td>fair value</td>
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<tr>
<td>New Mexico</td>
<td>assessed in proportion to value</td>
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</tr>
<tr>
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<td>full value</td>
<td>100%</td>
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<tr>
<td>North Carolina</td>
<td>true market value</td>
<td>varies locally</td>
</tr>
<tr>
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<td>true value</td>
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<tr>
<td>Ohio</td>
<td>true value</td>
<td>varies locally</td>
</tr>
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<td>Oklahoma</td>
<td>fair cash value</td>
<td>15%</td>
</tr>
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<td>true cash value</td>
<td>100%</td>
</tr>
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<td>actual value</td>
<td>100%</td>
</tr>
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<td>Rhode Island</td>
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<td>varies locally</td>
</tr>
<tr>
<td>South Carolina</td>
<td>true value in money</td>
<td>100%</td>
</tr>
<tr>
<td>South Dakota</td>
<td>true and full value in money</td>
<td>60%</td>
</tr>
<tr>
<td>Tennessee</td>
<td>sound, intrinsic and immediate economic value</td>
<td>50%</td>
</tr>
<tr>
<td>Texas</td>
<td>true and full value</td>
<td>100%</td>
</tr>
<tr>
<td>Utah</td>
<td>reasonable cash value</td>
<td>100%</td>
</tr>
<tr>
<td>Vermont</td>
<td>value in money</td>
<td>100%</td>
</tr>
<tr>
<td>Virginia</td>
<td>fair market value</td>
<td>100%</td>
</tr>
<tr>
<td>Washington</td>
<td>true and fair value</td>
<td>100%</td>
</tr>
<tr>
<td>West Virginia</td>
<td>true and actual value</td>
<td>100%</td>
</tr>
<tr>
<td>Wisconsin</td>
<td>fair value</td>
<td>100%</td>
</tr>
<tr>
<td>Wyoming</td>
<td>true and actual value</td>
<td>100%</td>
</tr>
</tbody>
</table>

Source: Commerce Clearing House: State Tax Reporter

[530]
II. Scope of Property Assessment Studies Conducted by States, 1973

<table>
<thead>
<tr>
<th>State</th>
<th>Interval of Study</th>
<th>Period Covered</th>
<th>Report Published</th>
</tr>
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<tr>
<td>Alabama</td>
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</tr>
<tr>
<td>Alaska</td>
<td>Annual</td>
<td>3 years</td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Arkansas</td>
<td>Annual</td>
<td>1 year</td>
<td>no</td>
</tr>
<tr>
<td>California</td>
<td>Annual</td>
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Source: Commerce Clearing House: State Tax Reporter
### III. Uses of Property Assessment Ratio Studies by States, 1973

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Evaluate methods used in making appraisal

Borrowing capacity

Establish local debt limits based on equalized valuation

Conducted for internal use only
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### RE: Assignment of sections of Louisiana Constitution of 1921 to Committee on Revenue, Finance and Taxation, Subcommittee on Revenues Other Than Property Taxes, Subcommittee on Public Finance

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<td>III, 8</td>
<td>Annual sessions; general, budgetary and special sessions; duration; bills and joint resolutions; vacancies</td>
<td>Request recommendation of Coordinating Committee, which on May 2, 1973 assigned &quot;Special Elections to Fill Legislative Vacancies&quot; to Legislative Powers and Functions</td>
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<td>III, 22</td>
<td>Revenue bills; origin; amendments</td>
<td>Request recommendation of Coordinating Committee</td>
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<td>Tax measures; amendments, conference committee reports; vote required</td>
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<td>IV, 1</td>
<td>Appropriations; quarterly accounting</td>
<td>Assigned to Legislative Powers and Functions and Executive Department; Included herein since other sections on appropriations assigned to Committee on Revenue, Finance &amp; Taxation</td>
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<td>IV, 1(a)</td>
<td>Board of Liquidation of the State Debt</td>
<td>Subcommittee on Public Finance</td>
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<td>IV, 2</td>
<td>Public debt; alienation of public lands; reservation of mineral rights; mineral leases; Royalty Road Fund; parish road bonds</td>
<td>Coordinate with Natural Resources &amp; Environment and Local &amp; Parochial Government; Subcommittee on Revenues Other Than Property Taxes only insofar</td>
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<td>Mineral revenues; payment into General Highway Fund</td>
<td>as mineral leases is source of revenue; Subcommittee on Public Finance as to dedication to Royalty Road Fund &amp; public debt</td>
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<td>IV, 2(c)</td>
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<td>Revenue from tidelands mineral leases; use of</td>
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<td>Local or special laws; prohibited subjects</td>
<td>Subcommittee on Revenues Other Than Property Taxes regarding extending time for assessment and collection, etc. and exempting property from taxation and Subcommittee on Public Finance regarding remitting fines, etc.</td>
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<td>Appropriations; last five days of session, formalities; extraordinary session</td>
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<td>Loan or pledge of public credit; relief of destitute; donations; transfers of property; bonds; leasing of health institutions; donation to U.S. for Veterans Hospital</td>
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<td>Bonds; state indebtedness; Confederate veterans' pensions; reimbursement of General Highway Fund</td>
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<td>Appropriation bills; veto of items</td>
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<td>Forestry; acreage taxes; homestead exemptions</td>
<td>Committee on Revenue, Finance &amp; Taxation regarding homestead exemption; Other to Subcommittee on Revenues Other Than Property Taxes</td>
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<td>Board of Commissioners of the Port of New Orleans</td>
<td>Coordinate with Local &amp; Parochial Government; Subcommittee on Public Finance</td>
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<td>VI, 16.5</td>
<td>Board of Commissioners of the Port of New Orleans; limitations on bonded indebtedness</td>
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<td>Board of Commissioners of the Port of New Orleans; additional powers and authority</td>
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<td>State highways and bridges; construction and maintenance; traffic regulation; rights of parishes, municipalities, and political subdivisions</td>
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<td>Long Range Highway Fund; revenues to be paid into fund; bonds for construction maintenance, improvement and extension of state highways; limitations; withdrawal of funds for state and parish highways and roads; continuation of certain taxes</td>
<td>Subcommittee on Revenues Other Than Property Taxes regarding revenues to be paid into fund &amp; continuation of certain taxes; Subcommittee on Public Finance regarding bonds, limitations, withdrawal of funds.</td>
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<td>VI, 23.1</td>
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<tr>
<td>XIV, 24</td>
<td>New Orleans; Board of Liquidation of City Debt; bond issues for public improvements</td>
<td>Coordinate with Local and Parochial Government; Subcommittee on Public Finance</td>
</tr>
<tr>
<td>XIV, 24.1</td>
<td>Motor fuel; local taxation prohibited</td>
<td>Coordinate with Local and Parochial Government; Subcommittee on Revenues Other Than Property Taxes</td>
</tr>
<tr>
<td>XIV, 24.2</td>
<td>New Orleans; sewerage, water and drainage bonds; authorization</td>
<td>Coordinate with Local and Parochial Government; Subcommittee on Public Finance</td>
</tr>
<tr>
<td>Article and Section</td>
<td>Subject</td>
<td>Assignment</td>
</tr>
<tr>
<td>--------------------</td>
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</tr>
<tr>
<td>XIV, (24.3)</td>
<td>New Orleans; sewerage, water and drainage bonds; authorization by election</td>
<td>Coordinate with Local and Parochial Government; Subcommittee on Public Finance except subject of property taxes to Committee on Revenue, Finance and Taxation</td>
</tr>
<tr>
<td>XIV, 24.4</td>
<td>New Orleans; sewerage, water and drainage bonds; funds for payment</td>
<td>Coordinate with Local and Parochial Government; Subcommittee on Public Finance</td>
</tr>
<tr>
<td>XIV, 24.5</td>
<td>New Orleans; sewerage, water and drainage bonds; tax</td>
<td>Coordinate with Local and Parochial Government; Committee on Revenue, Finance and Taxation</td>
</tr>
<tr>
<td>XIV, 24.6</td>
<td>New Orleans; sewerage, water and drainage bonds; payment; tax exemption; authorized investment or security</td>
<td>Subcommittee on Revenues Other Than Property Taxes regarding tax exemption; balance to Subcommittee on Public Finance</td>
</tr>
<tr>
<td>XIV, 24.7</td>
<td>New Orleans; sewerage, water and drainage bonds; interest; form</td>
<td>Subcommittee on Public Finance</td>
</tr>
<tr>
<td>XIV, 24.8</td>
<td>New Orleans; sewerage, water and drainage bonds; sale</td>
<td>Subcommittee on Public Finance</td>
</tr>
<tr>
<td>XIV, 24.9</td>
<td>New Orleans; sewerage, water and drainage bonds; use of proceeds</td>
<td>Subcommittee on Public Finance</td>
</tr>
<tr>
<td>XIV, 24.10</td>
<td>New Orleans; sewerage, water and drainage bonds; Board of Liquidation; duties</td>
<td>Subcommittee on Public Finance</td>
</tr>
<tr>
<td>XIV, 24.11</td>
<td>New Orleans; sewerage, water and drainage bonds; self-operative provisions</td>
<td>Subcommittee on Public Finance</td>
</tr>
<tr>
<td>XIV, 24.12</td>
<td>New Orleans; 1930 Bond Issue; authorization</td>
<td>Subcommittee on Public Finance</td>
</tr>
<tr>
<td>Article and Section</td>
<td>Subject</td>
<td>Assignment</td>
</tr>
<tr>
<td>---------------------</td>
<td>-------------------------------------------------------------------------</td>
<td>---------------------------------------------------------------------------</td>
</tr>
<tr>
<td>XIV, 24.13</td>
<td>New Orleans; 1930 Bond Issue; purposes</td>
<td>Subcommittee on Public Finance</td>
</tr>
<tr>
<td>XIV, 24.14</td>
<td>New Orleans; 1930 Bond Issue; debt limit</td>
<td>Subcommittee on Public Finance</td>
</tr>
<tr>
<td>XIV, 24.15</td>
<td>New Orleans; 1930 Bond Issue; funds pledged for payment</td>
<td>Subcommittee on Public Finance</td>
</tr>
<tr>
<td>XIV, 24.16</td>
<td>New Orleans; 1930 Bond Issue; tax</td>
<td>Subcommittee on Public Finance</td>
</tr>
<tr>
<td>XIV, 24.17</td>
<td>New Orleans; 1930 Bond Issue; payment; tax exemption; authorized investment; security for deposits</td>
<td>Subcommittee on Revenues Other Than Property Taxes regarding exemptions; balance to Subcommittee on Public Finance</td>
</tr>
<tr>
<td>XIV, 24.18</td>
<td>New Orleans; 1930 Bond Issue; interest; form</td>
<td>Subcommittee on Public Finance</td>
</tr>
<tr>
<td>XIV, 24.19</td>
<td>New Orleans; 1930 Bond Issue; sale of bonds</td>
<td>Subcommittee on Public Finance</td>
</tr>
<tr>
<td>XIV, 24.20</td>
<td>New Orleans; 1930 Bond Issue; application of revenues to payment</td>
<td>Subcommittee on Public Finance</td>
</tr>
<tr>
<td>XIV, 24.21</td>
<td>New Orleans; 1930 Bond Issue; self-operative provisions</td>
<td>Subcommittee on Public Finance</td>
</tr>
<tr>
<td>XIV, 24.22</td>
<td>New Orleans; 1930 Bond Issue; emergency borrowing</td>
<td>Subcommittee on Public Finance</td>
</tr>
<tr>
<td>XIV, 25</td>
<td>New Orleans; special tax for fire and police departments</td>
<td>Revenue, Finance and Taxation</td>
</tr>
<tr>
<td>XIV, 26</td>
<td>New Orleans; Public Belt Railroad; Commission</td>
<td>Subcommittee on Public Finance</td>
</tr>
<tr>
<td>XIV, 27</td>
<td>New Orleans; Public Belt Railroad; bonds and notes</td>
<td>Subcommittee on Public Finance</td>
</tr>
<tr>
<td>XIV, 28</td>
<td>New Orleans; Public Belt Bridge over Mississippi; use; financing</td>
<td>Subcommittee on Public Finance</td>
</tr>
<tr>
<td>Article and Section</td>
<td>Subject</td>
<td>Assignment</td>
</tr>
<tr>
<td>---------------------</td>
<td>-------------------------------------------------------------------------</td>
<td>----------------------------------------------------------------------------</td>
</tr>
<tr>
<td>XIV, 30.2</td>
<td>Lake Charles Harbor and Terminal District; ratification</td>
<td>Assigned to Local and Parochial Government</td>
</tr>
<tr>
<td>XIV, 30.3</td>
<td>Navigation and river improvement districts; creation as political subdivisions</td>
<td>Assigned to Local and Parochial Government</td>
</tr>
<tr>
<td>XVI, 2</td>
<td>District taxes; Orleans Levee District tax and refunding bonds; increase in tax to raise additional funds</td>
<td>Coordinate with Local and Parochial Government; Committee on Revenue, Finance and Taxation regarding property taxes; balance to Subcommittee on Public Finance</td>
</tr>
<tr>
<td>XVI, 3</td>
<td>Bond issues</td>
<td>Coordinate with Local and Parochial Government; Subcommittee on Public Finance</td>
</tr>
<tr>
<td>XVIII, 1</td>
<td>Soldier's home</td>
<td>Subcommittee on Public Finance</td>
</tr>
<tr>
<td>XVIII, 2</td>
<td>Confederate veterans and their widows; pensions</td>
<td>Subcommittee on Public Finance</td>
</tr>
<tr>
<td>XVIII, 3</td>
<td>Confederate veterans and their widows; tax for pensions; bonds</td>
<td>Subcommittee on Public Finance</td>
</tr>
<tr>
<td>XVIII, 5</td>
<td>Mothers' pensions</td>
<td>Subcommittee on Public Finance</td>
</tr>
<tr>
<td>XVIII, 6</td>
<td>Confederate veterans and their widows; back pensions; bond issue; tax; transfer of functions</td>
<td>Subcommittee on Public Finance</td>
</tr>
<tr>
<td>XVIII, 7</td>
<td>Social Security and Public Welfare</td>
<td>Committee on Revenue, Finance and Taxation</td>
</tr>
<tr>
<td>XVIII, 8</td>
<td>Confederate memorial medical center, correctional, charitable and penal institutions; bonds; tax</td>
<td>Subcommittee on Public Finance; assigned to Executive Department</td>
</tr>
<tr>
<td>Article and Section</td>
<td>Subject</td>
<td>Assignment</td>
</tr>
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<td>---------------------</td>
<td>------------------------------------------------------------------------</td>
<td>-------------------------------------------------</td>
</tr>
<tr>
<td>XVIII, 10</td>
<td>Bonuses for service-men and service-women; bonds; tax</td>
<td>Subcommittee on Public Finance</td>
</tr>
<tr>
<td>XVIII, 11</td>
<td>Bonuses; veterans of Korean Conflict; widows, orphans, or parents; indebtedness; tax; surplus</td>
<td>Subcommittee on Public Finance</td>
</tr>
<tr>
<td>XVIII, 12</td>
<td>Korean bonus</td>
<td>Subcommittee on Public Finance</td>
</tr>
<tr>
<td>XVIII, (13)</td>
<td>Veterans of Spanish American War; Boxer Rebellion; Philippine Insurrection and World War I; bonus</td>
<td>Subcommittee on Public Finance</td>
</tr>
<tr>
<td>XVIII, 13</td>
<td>Viet Nam bonus bonds</td>
<td>Subcommittee on Public Finance</td>
</tr>
<tr>
<td>XIX, 8</td>
<td>Gambling; futures of agricultural products; lotteries</td>
<td>Subcommittee on Revenues Other Than Property Taxes; assigned to Legislative Powers &amp; Functions</td>
</tr>
<tr>
<td>XIX, 19</td>
<td>Immovable property; recordation of mortgages, privileges, etc.; prescription of taxes and licenses; privileges on movable property</td>
<td>Subcommittee on Revenues Other Than Property Taxes</td>
</tr>
<tr>
<td>XX, 1</td>
<td>Bond issue; Angola plantation enlargement and improvement</td>
<td>Subcommittee on Public Finance</td>
</tr>
</tbody>
</table>
RE: Property Tax Exemptions for the Elderly

I. INTRODUCTION

Within the past few years, there has been considerable progress on the part of many states toward providing property tax relief for the elderly homeowner. The purpose of this memorandum is to provide a comprehensive but brief analysis of the methods used by the various states to provide property tax relief for the elderly person.

II. TYPES OF PROPERTY TAX RELIEF FOR THE ELDERLY

There are four major kinds of property tax relief for the elderly and the state can be grouped accordingly. These laws are to be confused with homestead exemption laws which provide a benefit to all homeowners by exempting a certain amount of residential realty from taxation.

Briefly, the types of property tax relief laws for the elderly can be described as follows:

1. The circuit breakers relates the percentage of property tax relieved to the income of the taxpayer. Most states with this type of relief have sliding scales with a ceiling on income or the amount of relief granted.

2. The absolute grant simply exempts "X" dollars or a fixed percent of assessed value from taxation, or subtracts "X" dollars or a fixed percentage from the tax bill.

3. The absolute grant with an income requirement is exactly the same as the type of relief in No. 2 above, but is limited to elderly homeowners with incomes below a specified level.

4. The tax freeze with an income requirement freezes the tax rate at the level prevailing when the taxpayer turns 65 if his income is below a specified level. The elderly homeowner then pays his taxes at that rate for the duration of his life.

Most of the state laws enacted since 1965 are known as the circuit-breaker type of relief. The circuit-breaker type of relief works in the following manner: the state determines the amount of property tax that it deems excessive, then the excessive amount, with certain restrictions to avoid abuses, is relieved. For example, assume that the percentage of tax relieved depends on income according to the following schedule:

<table>
<thead>
<tr>
<th>Total Taxpayer Income</th>
<th>Percent of Tax Relieved</th>
</tr>
</thead>
<tbody>
<tr>
<td>$2,000.00 to $3,999.99</td>
<td>100%</td>
</tr>
<tr>
<td>$4,000.00 to $5,999.99</td>
<td>75%</td>
</tr>
<tr>
<td>$6,000.00 to $7,999.99</td>
<td>50%</td>
</tr>
<tr>
<td>$8,000.00 to $10,000.00</td>
<td>25%</td>
</tr>
</tbody>
</table>

In addition, if it is assumed that tax relief is limited to the first $10,000 of property value and that the effective property tax rate is 1.8%, market value, the following table illustrates how persons with various income levels and property values would be relieved:

<table>
<thead>
<tr>
<th>Market Value of House</th>
<th>Family Income</th>
<th>Tax With- out Relief</th>
<th>Tax Relieved</th>
</tr>
</thead>
<tbody>
<tr>
<td>$7,000</td>
<td>$7,000</td>
<td>$126.00</td>
<td>00.00</td>
</tr>
<tr>
<td>6,000</td>
<td>6,000</td>
<td>126.00</td>
<td>94.50</td>
</tr>
<tr>
<td>10,000</td>
<td>10,000</td>
<td>126.00</td>
<td>94.50</td>
</tr>
<tr>
<td>12,000</td>
<td>2,000</td>
<td>216.00</td>
<td>180.00</td>
</tr>
<tr>
<td>10,000</td>
<td>10,000</td>
<td>216.00</td>
<td>171.00</td>
</tr>
<tr>
<td>20,000</td>
<td>1,000</td>
<td>360.00</td>
<td>240.00</td>
</tr>
<tr>
<td>10,000</td>
<td>10,000</td>
<td>360.00</td>
<td>270.00</td>
</tr>
</tbody>
</table>

III. COMPARISON OF STATE LAWS

The state laws on property tax relief for elderly homeowners vary with respect to the following provisions: residency requirements, age limitations, income limitations, amount of property covered, and the minimum amount of relief. (See Appendix for a detailed description of each state's law.)

<table>
<thead>
<tr>
<th>Circuit Breaker</th>
<th>Absolute Grant with Income Requirement</th>
<th>Tax Freeze with Income Requirement</th>
</tr>
</thead>
<tbody>
<tr>
<td>California</td>
<td>Delaware</td>
<td>Rhode Island</td>
</tr>
<tr>
<td>Colorado</td>
<td>Georgia</td>
<td>Vermont</td>
</tr>
<tr>
<td>Illinois</td>
<td>Indiana</td>
<td>Washington</td>
</tr>
<tr>
<td>Kansas</td>
<td>Iowa</td>
<td>Wisconsin</td>
</tr>
<tr>
<td>Minnesota</td>
<td>Maryland</td>
<td>Connecticut</td>
</tr>
<tr>
<td>Ohio</td>
<td>Massachusetts</td>
<td>Rhode Island</td>
</tr>
</tbody>
</table>
## Appendix

### Summary of State Laws on Property

#### Tax Exemptions for the Elderly

<table>
<thead>
<tr>
<th>State</th>
<th>Type of Relief</th>
<th>Residency Requirements</th>
<th>Age of Limitation</th>
<th>Income Limitation</th>
<th>Provisions of Exemptions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alabama</td>
<td>Reduced tax bill</td>
<td>Must be a state resident</td>
<td>65</td>
<td>None</td>
<td>$5,000 assessed value exempted from state ad valorem taxation.</td>
</tr>
<tr>
<td>Alaska</td>
<td>Rebate</td>
<td>Must be a state resident</td>
<td>65</td>
<td>None</td>
<td>Total assessed value exempted from taxation.</td>
</tr>
<tr>
<td>Arizona</td>
<td>No relief granted</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Arkansas</td>
<td>No relief granted</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>California</td>
<td>Rebate</td>
<td>Must be a state resident</td>
<td>62</td>
<td>$10,000</td>
<td>Relief on first $7,500 assessed value ranges from 95% of tax payment if income is less than $1,000 to 1% of tax payment if income is $10,000.</td>
</tr>
<tr>
<td>Colorado</td>
<td>Income tax credit or rebate</td>
<td>Must have been a state resident for one year</td>
<td>65</td>
<td>$2400 if single</td>
<td>Relief limited to 50% of the tax payment. The credit or refund is reduced by 10% of income over $500 if single, over $1,800 if married.</td>
</tr>
<tr>
<td>Connecticut</td>
<td>Reduced tax bill</td>
<td>Must have been a resident property owner for prior 5 years</td>
<td>65</td>
<td>$3000 if single</td>
<td>$3700 if married</td>
</tr>
<tr>
<td>Delaware</td>
<td>Reduced tax bill</td>
<td>Must have been a resident property owner for prior 3 years</td>
<td>65</td>
<td>$3,000</td>
<td>$5,000 assessed value exempted from taxation.</td>
</tr>
</tbody>
</table>

The table above summarizes the tax exemptions for the elderly in various states, including the required residency, age of limitation, income limitation, and provisions of exemptions. Each state has different requirements and provisions, which are detailed in the table.
<table>
<thead>
<tr>
<th>STATE</th>
<th>TYPE OF RELIEF</th>
<th>RESIDENCY REQUIREMENTS</th>
<th>AGE LIMITATION</th>
<th>INCOME LIMITATION</th>
<th>PROVISIONS OF EXEMPTIONS</th>
</tr>
</thead>
<tbody>
<tr>
<td>FLORIDA</td>
<td>Reduced tax bill</td>
<td>Must have been a state resident for prior 5 years</td>
<td>65</td>
<td>None</td>
<td>$10,000 assessed value exempted from taxes levied by school boards for current operating expenses.</td>
</tr>
<tr>
<td>GEORGIA</td>
<td>Reduced tax bill</td>
<td>Must be state resident</td>
<td>65</td>
<td>$4,000</td>
<td>$4,000 assessed value exempted from state and county taxation</td>
</tr>
<tr>
<td>HAWAII</td>
<td>Reduced tax bill</td>
<td>Must be a state resident</td>
<td>60</td>
<td>None</td>
<td>$16,000 assessed value exempted from taxation if claimant is between 60 and 70 years old. If claimant is over 70, $20,000 assessed value is exempted.</td>
</tr>
<tr>
<td>IDAHO</td>
<td>Reduced tax bill</td>
<td>Must have been a resident property owner for 10 years</td>
<td>65</td>
<td>$4,800</td>
<td>First $75 in taxes is relieved.</td>
</tr>
<tr>
<td>ILLINOIS</td>
<td>Reduced tax bill</td>
<td></td>
<td>65</td>
<td>None</td>
<td>$1,500 reduction in equalized assessed valuation.</td>
</tr>
<tr>
<td>INDIANA</td>
<td>Reduced tax bill</td>
<td>Must have been a resident property owner for 1 year</td>
<td>65</td>
<td>$6,000</td>
<td>Total homestead exemption (value of property may not exceed $6,500).</td>
</tr>
<tr>
<td>IOWA</td>
<td>Reduced tax bill</td>
<td></td>
<td>65</td>
<td>$4,000</td>
<td>$2,500 assessed value exempted from taxation</td>
</tr>
<tr>
<td>STATE</td>
<td>TYPE OF RELIEF</td>
<td>RESIDENCY REQUIREMENTS</td>
<td>AGE LIMITATION</td>
<td>INCOME LIMITATION</td>
<td>PROVISIONS OF EXEMPTIONS</td>
</tr>
<tr>
<td>------------</td>
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<td>----------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>KANSAS</td>
<td>Income tax credit</td>
<td>Must have been domiciled in the state for prior year</td>
<td>65</td>
<td>$6,000</td>
<td>A percentage of tax bill relieved according to how much property taxes exceed a percentage of income, both percentages depending on income: 100% relief of taxes in excess of 1% of $500 - $1,000 to 60% relief of taxes in excess of 11% of $5,500 - $6,000.</td>
</tr>
<tr>
<td>KENTUCKY</td>
<td>Reduced tax bill</td>
<td></td>
<td>65</td>
<td>None</td>
<td>$6,500 assessed valuation exempted from taxation.</td>
</tr>
<tr>
<td>LOUISIANA</td>
<td>No relief granted</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>MAINE</td>
<td>Grant</td>
<td>Must have been domiciled in the state for prior year</td>
<td>65 for males</td>
<td>35% of income must be attributed to claimant &amp; must not exceed $4,000</td>
<td>Relief equals 7% of difference between $4,000 and income less than that.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>62 for females</td>
<td></td>
<td></td>
</tr>
<tr>
<td>MARYLAND</td>
<td>Reduced tax bill</td>
<td></td>
<td>65</td>
<td>$5,000</td>
<td>Relief equals 50% of assessed valuation or $4,000, whichever is less. Applies against county property taxes only.</td>
</tr>
<tr>
<td>MASSACHUSETTS</td>
<td>Reduced tax bill</td>
<td>Must have been domiciled in the state for the prior 10 years and a property owner for prior 5 years</td>
<td>70</td>
<td>$6,000 if single $7,000 if married</td>
<td>Amount of exemption is $525 for the 18-month fiscal year which began January 1, 1973.</td>
</tr>
<tr>
<td>STATE</td>
<td>TYPE OF RELIEF</td>
<td>RESIDENCY REQUIREMENTS</td>
<td>AGE LIMITATION</td>
<td>INCOME LIMITATION</td>
<td>PROVISIONS OF EXEMPTIONS</td>
</tr>
<tr>
<td>------------</td>
<td>------------------------</td>
<td>----------------------------------------------------------------------------------------</td>
<td>----------------</td>
<td>--------------------</td>
<td>----------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>MICHIGAN</td>
<td>Reduced tax bill</td>
<td>Must have been a state resident for 5 out of last 10 years</td>
<td>65</td>
<td>$6,000</td>
<td>$2,500 assessed value is exempted from taxation.</td>
</tr>
<tr>
<td>MINNESOTA</td>
<td>Income tax credit or rebate</td>
<td>Must be a state resident</td>
<td>65</td>
<td>$5,000</td>
<td>A percentage of property tax is relieved depending on income: 90-100% on an income of $0 - $1,000 to 10-20% relief on an income of $4,500-$5,000.</td>
</tr>
<tr>
<td>MISSISSIPPI</td>
<td>No relief granted</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>MISSOURI</td>
<td>No relief granted</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>MONTANA</td>
<td>Reduced tax bill</td>
<td></td>
<td>62 for widows</td>
<td>$4,000 if single</td>
<td>Property is taxed at 15% of the assessed value</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>65 for widows</td>
<td>$5,200 if married</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>NEBRASKA</td>
<td>Reduced tax bill</td>
<td></td>
<td>70</td>
<td>None</td>
<td>Limited homestead exemption of 50% of first $1,500. Assessed valuation for veterans only.</td>
</tr>
<tr>
<td>NEVADA</td>
<td>No relief given</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>NEW HAMPSHIRE</td>
<td>Reduced tax bill</td>
<td>Must have been a state resident for prior 5 years</td>
<td>70</td>
<td>$4,000 if single</td>
<td>$5,000 assessed value, or a percentage of $5,000 if not assessed at full value, is exempted from taxation.</td>
</tr>
<tr>
<td>STATE</td>
<td>TYPE OF RELIEF</td>
<td>RESIDENCY REQUIREMENTS</td>
<td>AGE OF LIMITATION</td>
<td>INCOME LIMITATION</td>
<td>PROVISIONS OF EXEMPTIONS</td>
</tr>
<tr>
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<td>-------------------------------------------------------------</td>
</tr>
<tr>
<td>NEW JERSEY</td>
<td>Reduced tax bill</td>
<td>Must have been a state resident for 1 year</td>
<td>65</td>
<td>$5,000</td>
<td>Taxes are reduced by $160 unless taxes due are less.</td>
</tr>
<tr>
<td>NEW MEXICO</td>
<td>No relief granted</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>NEW YORK</td>
<td>Reduced tax bill</td>
<td>Must have owned residence for prior 5 years</td>
<td>65</td>
<td>$3,000-$6,000</td>
<td>Authorities of local government authorized to enact laws allowing up to 50% of the value of claimant's residence to be exempted from taxation.</td>
</tr>
<tr>
<td>NORTH CAROLINA</td>
<td>Reduced tax bill</td>
<td>Must reside on property at least 6 months out of the year</td>
<td>65</td>
<td>$3,500</td>
<td>$5,000 appraised value not taxed.</td>
</tr>
<tr>
<td>NORTH DAKOTA</td>
<td>Reduced tax bill</td>
<td></td>
<td>65</td>
<td>$3,500</td>
<td>50% deduction of assessed value up to $1,000.</td>
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<tr>
<td>OHIO</td>
<td>Reduced tax bill</td>
<td>Must be domiciled in state</td>
<td>65</td>
<td>$8,000</td>
<td>Reduction of taxable value according to income: $5,000 or 70% (whichever is less) for income less than $2,000 to $2,000 or 40% (whichever is less) for incomes between $6,000-$8,000.</td>
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<td>OKLAHOMA</td>
<td>No relief granted</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>STATE</td>
<td>TYPE OF RELIEF</td>
<td>RESIDENCY REQUIREMENTS</td>
<td>AGE LIMITATIONS</td>
<td>INCOME LIMITATIONS</td>
<td>PROVISIONS OF EXEMPTIONS</td>
</tr>
<tr>
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<td>----------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>OREGON</td>
<td>Reduced tax bill</td>
<td>Must be state resident for tax period</td>
<td>None</td>
<td>None</td>
<td>Relief is based on the amount by which taxes exceed a percentage of the income: 3% on income up to $1,500 to 7% on income over $8,000. Relief is $105 greater if the claimant is over 80.</td>
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<tr>
<td>PENNSYLVANIA</td>
<td>Rebate</td>
<td>65/50 for widows</td>
<td>65</td>
<td>$7,500</td>
<td>Percentage of property taxes allowed as relief depends on income: 100% for incomes under $100 to 10% for incomes between $6,000 - $7,499.</td>
</tr>
<tr>
<td>RHODE ISLAND</td>
<td>Varies locally</td>
<td>Varies locally</td>
<td>65</td>
<td>$4,000</td>
<td>Property tax exemption is authorized by state law, but provisions are approved by the local electorates in various ways. The tax freeze is authorized only for claimants with incomes less than $4,000.</td>
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<tr>
<td>SOUTH CAROLINA</td>
<td>Reduced tax bill</td>
<td></td>
<td>65</td>
<td>$4,800</td>
<td>$5,000 fair value exempted from county, school, and special assessment property taxes.</td>
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<td>SOUTH DAKOTA</td>
<td>Reduced tax bill</td>
<td></td>
<td>65</td>
<td>None</td>
<td>$1,000 assessed value of real estate exempted from taxation.</td>
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<tr>
<td>STATE</td>
<td>TYPE OF RELIEF</td>
<td>RESIDENCY REQUIREMENTS</td>
<td>AGE LIMITATIONS</td>
<td>INCOME LIMITATIONS</td>
<td>PROVISIONS OF EXEMPTIONS</td>
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<td>------------------------------------------------------------------</td>
<td>-----------------</td>
<td>--------------------</td>
<td>----------------------------------------------------------------------------------------</td>
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<td>TENNESSEE</td>
<td>Tax refund</td>
<td>Must be a resident property owner for 1 year</td>
<td>65</td>
<td>$4,800</td>
<td>Refund to every taxpayer 65 years of age, or over, whose annual income does not exceed $4,800.</td>
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<tr>
<td>TEXAS</td>
<td>Reduced ad valorem tax on property being used for benefit of the elderly.</td>
<td></td>
<td>62</td>
<td></td>
<td>An exemption is provided for property used by certain non-profit corporations organized to provide homes for the elderly.</td>
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<td>UTAH</td>
<td>Abatement</td>
<td></td>
<td>65</td>
<td>$2,500 if single $3,000 if married</td>
<td>Abatement of up to $50 or one-half of the total property tax, whichever is less.</td>
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<td>VERMONT</td>
<td>Income tax credit or rebate</td>
<td>Must have been domiciled in the state for prior year</td>
<td>65</td>
<td>$4,286</td>
<td>Tax payment in excess of 7% of claimants income times a local rate factor is relieved.</td>
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<td>VIRGINIA</td>
<td>Reduced tax bill</td>
<td></td>
<td>65</td>
<td>$1,500</td>
<td>Homestead exemption or deferrals are provided for by the counties, cities and towns in various ways.</td>
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<td>WASHINGTON</td>
<td>Reduced tax bill</td>
<td>Must have occupied home for prior 2 years and been a state resident for prior 3 years</td>
<td>62</td>
<td>$6,000</td>
<td>Percentage of excess levies exempted depending on income: 100% for incomes less than $4,000, 50% for incomes between $4,000--$6,000.</td>
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<tr>
<td>STATE</td>
<td>TYPE OF RELIEF</td>
<td>RESIDENCY REQUIREMENTS</td>
<td>AGE LIMITATION</td>
<td>INCOME LIMITATION</td>
<td>PROVISIONS OF EXEMPTIONS</td>
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<tr>
<td>------------</td>
<td>------------------------</td>
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<td>----------------</td>
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<td>--------------------------</td>
</tr>
<tr>
<td>WEST VIRGINIA</td>
<td>Reduced tax bill</td>
<td></td>
<td>65</td>
<td>$15,000</td>
<td>Basic circuit breaker legislation to take effect July 1, 1973.</td>
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<tr>
<td>WISCONSIN</td>
<td>Income tax credit or rebate</td>
<td>Must have been a state resident for prior year</td>
<td>62/60</td>
<td>$5,000</td>
<td>Formula provides for a diminishing credit as income rises.</td>
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<tr>
<td>WYOMING</td>
<td>No relief granted</td>
<td></td>
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</tbody>
</table>

Source: Commerce Clearing House: State Tax Reporter

State-Local Finances: Significant Features and Suggested Legislation

(ACIR, 1972)
Total Assessments

In total assessment purposes (Table I) -
Orleans Parish has the highest total assessment ($1,240,843,000),
followed by East Baton Rouge Parish ($549,680,000), Caddo
($454,933,000), Jefferson ($255,943,000), and Calcasieu
($241,668,000).

Red River Parish has the lowest assessment for tax purposes ($8,831,000), followed by St. Helena Parish ($10,153,000),
Tensas ($10,783,000), Grant ($10,929,000), and Catahoula
($11,595,000).

Average Millage

In terms of tax millage levied (Table I), Jefferson Parish ranks highest with an average millage (106.5), followed
by St. Bernard (97.2), Livingston (91.6), St. Martin (90.8), and Allen (83.2).

Plaquemines Parish has the lowest average millage (27.3),
followed by DeSoto (27.7), East Feliciana (31.2), West Feliciana (31.3), and Ouachita and Pointe Coupee (36.2).

Total State, Parish, and Local Taxes Paid

With respect to the figures dealing with total state, parish, and local taxes paid, (Table I) it should be noted that
the average millage multiplied by total assessment for
tax purposes is not equal to the totals in this column due
to rounding. The taxes paid, in this column, were taken
from the work sheets of the office of the state treasurer.
The amounts used in the brief analysis below are:
Orleans Parish has the highest total taxes paid
($59,252,000), followed by East Baton Rouge Parish ($29,793,000),
Jefferson ($27,158,000), Caddo ($18,741,000), and Calcasieu
($14,306,000).

Likewise, Red River Parish has the lowest total taxes paid
($469,000), followed by East Feliciana ($453,000), West
Carroll ($583,000), Tensas and Catahoula ($653,000), and West
Feliciana ($690,000).

Assessment Ratio

Caddo Parish has the highest assessment ratio (Table I)
(33.5%) followed by Orleans (24.7%), East Carroll (24.5%),
Assumption and St. Mary (23.5%), and Iberia (23.1%).

Lafayette Parish has the lowest assessment ratio (7.1%),
followed by Cameron (7.2%), St. Helena (8.2%), Allen (8.3%),
and Terrebonne (8.7%).

Number of Taxpayers

Excluding Orleans Parish for which figures for the
-2-
number of taxpayers are not available, (Table II) Jefferson
Parish ranks highest (132,679), in number of taxpayers,
followed by Caddo (102,789), East Baton Rouge (91,195),
Calcasieu (58,600), and St. Tammany (41,128).

The chart reflects that the lowest number of taxpayers
are in East Feliciana Parish (2,032), followed by West Carroll
(2,114), Red River (2,623), St. Helena (3,032), and East
Carroll (3,650).

Population

According to the 1970 Census, Orleans Parish has the largest
population (Table II) (606,900), with Jefferson (345,205),
East Baton Rouge (301,730), Caddo (235,393), and Calcasieu
(148,704), and Rapides (120,751) following.

Based on the same census, Cameron Parish has the smallest
population (8,379), followed by Red River (9,435), Caldwell
(9,566), Tensas (9,951), and St. Helena (10,162).

Taxes Paid per Taxpayer

With the figures for the taxes paid per taxpayer (Table
II) not available for Orleans Parish, St. Bernard Parish is the
highest ($554.26), followed by Assumption ($502.42),
Plaquemines ($376.62), Cameron ($369.80), and St. James
($349.17).

DeSoto Parish has the lowest taxes paid per taxpayer
($43.08), followed by Tangipahoa ($46.88), Avoyelles ($44.88),
St. Tammany ($43.74), and Winn ($88.18).

Taxes Paid per Capita

With the figures for the taxes paid per capita (Table II)
not available for Orleans Parish, Cameron Parish has the
-3-
highest ($279.38), followed by St. Bernard ($176.31),
Plaquemines ($176.26), St. Charles ($109.37), and LaSalle
($102.75).

Tangipahoa Parish has the lowest taxes paid per capita
($19.86), followed by Vernon ($19.86), Avoyelles ($22.01),
DeSoto ($22.46), and East Feliciana ($25.08).

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<table>
<thead>
<tr>
<th>Parish</th>
<th>Total Assessment (000's)</th>
<th>Average State &amp; Local Millage</th>
<th>Total State, Parish, &amp; Local Taxes Paid (000's)</th>
<th>Assessment Ratio (1958)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acadia</td>
<td>$65,495</td>
<td>34.8</td>
<td>$2,526</td>
<td>15.5%</td>
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<tr>
<td>Allen</td>
<td>18,192</td>
<td>83.2</td>
<td>1,512</td>
<td>8.3</td>
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<td>Ascension</td>
<td>44,848</td>
<td>48.9</td>
<td>2,220</td>
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<tr>
<td>Assumption</td>
<td>23,128</td>
<td>43.8</td>
<td>1,035</td>
<td>23.5</td>
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<td>Avoyelles</td>
<td>18,550</td>
<td>44.8</td>
<td>850</td>
<td>17.8</td>
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<td>Beauregard</td>
<td>27,827</td>
<td>58.5</td>
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<tr>
<td>Bienville</td>
<td>25,924</td>
<td>39.2</td>
<td>1,021</td>
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<tr>
<td>Bossier</td>
<td>56,192</td>
<td>49.9</td>
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<tr>
<td>Caddo</td>
<td>454,933</td>
<td>41.0</td>
<td>18,741</td>
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<tr>
<td>Calcasieu</td>
<td>241,688</td>
<td>59.6</td>
<td>14,306</td>
<td>14.5</td>
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<tr>
<td>Caldwell</td>
<td>12,121</td>
<td>63.2</td>
<td>763</td>
<td>16.5</td>
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<tr>
<td>Cameron</td>
<td>37,997</td>
<td>61.2</td>
<td>2,341</td>
<td>7.2</td>
</tr>
<tr>
<td>Catahoula</td>
<td>11,595</td>
<td>56.3</td>
<td>653</td>
<td>17.5</td>
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<tr>
<td>Claiborne</td>
<td>21,113</td>
<td>39.7</td>
<td>838</td>
<td>16.9</td>
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<tr>
<td>Parish</td>
<td>Total Assessment for Tax Purposes (000's)</td>
<td>Average State &amp; Local Mil- lage</td>
<td>Total State, Parish, &amp; Local Taxes Paid 1 (000's)</td>
<td>Assessment Ratio 2 (1958)</td>
</tr>
<tr>
<td>---------------------</td>
<td>------------------------------------------</td>
<td>---------------------------------</td>
<td>--------------------------------------------------</td>
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</tr>
<tr>
<td>Concordia</td>
<td>$14,276</td>
<td>65.5</td>
<td>$943</td>
<td>10.9%</td>
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<tr>
<td>DeSoto</td>
<td>18,882</td>
<td>27.7</td>
<td>523</td>
<td>15.0</td>
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<tr>
<td>East Baton Rouge</td>
<td>549,680</td>
<td>53.2</td>
<td>29,793</td>
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<td>East Carroll</td>
<td>15,459</td>
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<td>East Feliciana</td>
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<td>Evangeline</td>
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<td>Franklin</td>
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<td>Iberville</td>
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<td>49.1</td>
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<td>Jackson</td>
<td>16,897</td>
<td>62.9</td>
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<td>Jefferson</td>
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<td>Jefferson Davis</td>
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<tr>
<td>Lafayette</td>
<td>69,473</td>
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<td>4,627</td>
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<td>Lafourche</td>
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<td>Lincoln</td>
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<td>Parish</td>
<td>Total Assessment for Tax purposes (000's)</td>
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<td>Total State, Parish, &amp; Local Taxes Paid 1 (000's)</td>
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<td>--------------</td>
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<tr>
<td>Livingston</td>
<td>$13,565</td>
<td>91.6</td>
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<td>Madison</td>
<td>18,425</td>
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<td>Morehouse</td>
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<td>Natchitoches</td>
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<td>Orleans</td>
<td>1,240,843</td>
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<td>Ouachita</td>
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<td>Rapides</td>
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<td>St. James</td>
<td>34,869</td>
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<td>2,064</td>
<td>16.1</td>
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</tbody>
</table>

Page 3
<table>
<thead>
<tr>
<th>Parish</th>
<th>Total Assessment for Tax purposes (000's)</th>
<th>Average State &amp; Local Milage</th>
<th>Total State, Parish, &amp; Local Taxes Paid (000's)</th>
<th>Assessment Ratio $^2$ (1958)</th>
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<tbody>
<tr>
<td>St. John the Baptist</td>
<td>$17,356</td>
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<td>$1,196</td>
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<td>St. Landry</td>
<td>70,870</td>
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<td>St. Martin</td>
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<td>St. Mary</td>
<td>134,478</td>
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<td>23.5</td>
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<td>St. Tammany</td>
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<td>Tangipahoa</td>
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</tr>
<tr>
<td>West Baton Rouge</td>
<td>18,591</td>
<td>48.3</td>
<td>897</td>
<td>15.5</td>
</tr>
<tr>
<td>West Carroll</td>
<td>18,653</td>
<td>54.0</td>
<td>583</td>
<td>21.5</td>
</tr>
<tr>
<td>Parish</td>
<td>Total Assessment for Tax purposes (000's)</td>
<td>Average State &amp; Local Mil-lage</td>
<td>Total State, Parish, &amp; Local Taxes Paid 1 (000's)</td>
<td>Assessment Ratio 2 (1958)</td>
</tr>
<tr>
<td>-----------------</td>
<td>------------------------------------------</td>
<td>--------------------------------</td>
<td>--------------------------------------------------</td>
<td>--------------------------</td>
</tr>
<tr>
<td>West Feliciana</td>
<td>$13,013</td>
<td>31.3</td>
<td>690</td>
<td>20.1%</td>
</tr>
<tr>
<td>Winn</td>
<td>14,099</td>
<td>56.1</td>
<td>790</td>
<td>13.8</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$5,028,900</strong></td>
<td><strong>56.2</strong></td>
<td><strong>$274,619</strong></td>
<td><strong>15.6%</strong></td>
</tr>
</tbody>
</table>

1 The average millage times total assessment for tax purposes is not equal to this column due to rounding. The taxes paid in this column was taken from the work sheets of the office of State Treasurer.

TABLE II

Number of Taxpayers, Population, Per Taxpayer Taxes Paid, and Per Capita Taxes Paid by Parishes in Louisiana, 1972

<table>
<thead>
<tr>
<th>Parish</th>
<th>No. of Taxpayers per Parish</th>
<th>Population</th>
<th>Per Taxpayer State, Local &amp; Parish Taxes Paid</th>
<th>Per Capita State, Local &amp; Parish Taxes Paid</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acadia</td>
<td>19,740</td>
<td>53,287</td>
<td>$ 127.96</td>
<td>$ 47.40</td>
</tr>
<tr>
<td>Allen</td>
<td>9,462</td>
<td>21,265</td>
<td>159.79</td>
<td>71.10</td>
</tr>
<tr>
<td>Ascension</td>
<td>13,845</td>
<td>37,925</td>
<td>160.34</td>
<td>58.53</td>
</tr>
<tr>
<td>Assumption</td>
<td>7,060</td>
<td>20,099</td>
<td>502.42</td>
<td>51.49</td>
</tr>
<tr>
<td>Avoyelles</td>
<td>13,100</td>
<td>38,605</td>
<td>64.88</td>
<td>22.01</td>
</tr>
<tr>
<td>Beauregard</td>
<td>12,526</td>
<td>23,405</td>
<td>131.88</td>
<td>70.58</td>
</tr>
<tr>
<td>Bienville</td>
<td>8,665</td>
<td>16,386</td>
<td>117.83</td>
<td>62.30</td>
</tr>
<tr>
<td>Bossier</td>
<td>23,402</td>
<td>65,979</td>
<td>120.54</td>
<td>42.75</td>
</tr>
<tr>
<td>Caddo</td>
<td>102,789</td>
<td>235,393</td>
<td>182.32</td>
<td>79.61</td>
</tr>
<tr>
<td>Calcasieu</td>
<td>58,600</td>
<td>148,704</td>
<td>244.12</td>
<td>96.20</td>
</tr>
<tr>
<td>Caldwell</td>
<td>4,795</td>
<td>9,566</td>
<td>159.12</td>
<td>79.76</td>
</tr>
<tr>
<td>Cameron</td>
<td>6,329</td>
<td>8,379</td>
<td>369.88</td>
<td>279.38</td>
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<tr>
<td>Catahoula</td>
<td>5,293</td>
<td>12,035</td>
<td>123.37</td>
<td>54.25</td>
</tr>
<tr>
<td>Claiborne</td>
<td>8,879</td>
<td>17,410</td>
<td>94.37</td>
<td>48.13</td>
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<tr>
<td>Parish</td>
<td>No. Of Taxpayers per Parish</td>
<td>Population</td>
<td>Per Taxpayer State, Local &amp; Parish Taxes Paid</td>
<td>Per Capita State, Local &amp; Parish Taxes Paid</td>
</tr>
<tr>
<td>--------------------</td>
<td>----------------------------</td>
<td>------------</td>
<td>---------------------------------------------</td>
<td>---------------------------------------------</td>
</tr>
<tr>
<td>Concordia</td>
<td>7,387</td>
<td>23,089</td>
<td>$127.65</td>
<td>$40.84</td>
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<tr>
<td>DeSoto</td>
<td>12,139</td>
<td>23,279</td>
<td>43.08</td>
<td>22.46</td>
</tr>
<tr>
<td>East Baton Rouge</td>
<td>91,195</td>
<td>301,730</td>
<td>326.69</td>
<td>98.74</td>
</tr>
<tr>
<td>East Carroll</td>
<td>3,650</td>
<td>13,074</td>
<td>200.27</td>
<td>55.91</td>
</tr>
<tr>
<td>East Feliciana</td>
<td>2,032</td>
<td>18,057</td>
<td>222.93</td>
<td>25.08</td>
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<tr>
<td>Evangeline</td>
<td>9,230</td>
<td>32,654</td>
<td>142.57</td>
<td>40.30</td>
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<tr>
<td>Franklin</td>
<td>8,609</td>
<td>24,487</td>
<td>135.67</td>
<td>47.69</td>
</tr>
<tr>
<td>Grant</td>
<td>6,209</td>
<td>13,981</td>
<td>114.83</td>
<td>50.99</td>
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<tr>
<td>Iberia</td>
<td>18,919</td>
<td>58,696</td>
<td>177.75</td>
<td>57.29</td>
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<tr>
<td>Iberville</td>
<td>9,608</td>
<td>31,442</td>
<td>252.28</td>
<td>77.09</td>
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<tr>
<td>Jackson</td>
<td>7,770</td>
<td>16,325</td>
<td>136.55</td>
<td>64.99</td>
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<tr>
<td>Jefferson</td>
<td>132,679</td>
<td>345,205</td>
<td>206.19</td>
<td>79.25</td>
</tr>
<tr>
<td>Jefferson Davis</td>
<td>13,303</td>
<td>30,222</td>
<td>140.04</td>
<td>61.64</td>
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<tr>
<td>Lafayette</td>
<td>38,395</td>
<td>112,198</td>
<td>120.51</td>
<td>41.23</td>
</tr>
<tr>
<td>Lafourche</td>
<td>24,462</td>
<td>70,501</td>
<td>266.61</td>
<td>92.50</td>
</tr>
<tr>
<td>LaSalle</td>
<td>6,780</td>
<td>13,596</td>
<td>206.04</td>
<td>102.75</td>
</tr>
<tr>
<td>Lincoln</td>
<td>12,340</td>
<td>34,538</td>
<td>135.57</td>
<td>48.43</td>
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</table>

Page 7
<table>
<thead>
<tr>
<th>Parish</th>
<th>No. of Taxpayers per Parish</th>
<th>Population</th>
<th>Per Taxpayer State, Local &amp; Parish Taxes Paid</th>
<th>Per Capita State, Local &amp; Parish Taxes Paid</th>
</tr>
</thead>
<tbody>
<tr>
<td>Livingston</td>
<td>13,928</td>
<td>37,337</td>
<td>$89.10</td>
<td>$33.23</td>
</tr>
<tr>
<td>Madison</td>
<td>5,131</td>
<td>15,405</td>
<td>167.41</td>
<td>55.76</td>
</tr>
<tr>
<td>Morehouse</td>
<td>33,197</td>
<td>36,016</td>
<td>158.17</td>
<td>59.05</td>
</tr>
<tr>
<td>Natchitoches</td>
<td>13,447</td>
<td>606,900</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ouachita</td>
<td>38,785</td>
<td>117,998</td>
<td>147.55</td>
<td>48.50</td>
</tr>
<tr>
<td>Plaquemines</td>
<td>12,073</td>
<td>25,796</td>
<td>376.62</td>
<td>176.26</td>
</tr>
<tr>
<td>Pointe Coupee</td>
<td>5,958</td>
<td>22,500</td>
<td>133.43</td>
<td>35.33</td>
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<tr>
<td>Rapides</td>
<td>34,744</td>
<td>120,751</td>
<td>163.76</td>
<td>47.12</td>
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<tr>
<td>Red River</td>
<td>2,623</td>
<td>9,435</td>
<td>155.92</td>
<td>43.34</td>
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<td>Richland</td>
<td>9,179</td>
<td>22,267</td>
<td>145.33</td>
<td>59.90</td>
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<td>Sabine</td>
<td>11,756</td>
<td>19,060</td>
<td>107.00</td>
<td>66.00</td>
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<td>St. Bernard</td>
<td>16,651</td>
<td>52,343</td>
<td>554.26</td>
<td>176.31</td>
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<tr>
<td>St. Charles</td>
<td>11,570</td>
<td>30,218</td>
<td>285.65</td>
<td>109.37</td>
</tr>
<tr>
<td>St. Helena</td>
<td>3,032</td>
<td>10,162</td>
<td>244.72</td>
<td>73.01</td>
</tr>
<tr>
<td>St. James</td>
<td>5,911</td>
<td>20,179</td>
<td>349.17</td>
<td>102.28</td>
</tr>
<tr>
<td>Parish</td>
<td>No. of Taxpayers per Parish</td>
<td>Population</td>
<td>Per Taxpayer State, Local &amp; Parish Taxes Paid</td>
<td>Per Capita State, Local &amp; Parish Taxes Paid</td>
</tr>
<tr>
<td>----------------------</td>
<td>-----------------------------</td>
<td>------------</td>
<td>---------------------------------------------</td>
<td>---------------------------------------------</td>
</tr>
<tr>
<td>St. John the Baptist</td>
<td>7,993</td>
<td>24,352</td>
<td>$149.63</td>
<td>$49.11</td>
</tr>
<tr>
<td>St. Landry</td>
<td>26,000</td>
<td>82,182</td>
<td>123.00</td>
<td>38.91</td>
</tr>
<tr>
<td>St. Martin</td>
<td>15,000</td>
<td>33,187</td>
<td>148.26</td>
<td>67.01</td>
</tr>
<tr>
<td>St. Mary</td>
<td>17,758</td>
<td>62,126</td>
<td>284.82</td>
<td>81.41</td>
</tr>
<tr>
<td>St. Tammany</td>
<td>41,128</td>
<td>65,023</td>
<td>74.76</td>
<td>47.29</td>
</tr>
<tr>
<td>Tangipahoa</td>
<td>23,782</td>
<td>67,365</td>
<td>46.88</td>
<td>16.55</td>
</tr>
<tr>
<td>Tensas</td>
<td>3,873</td>
<td>9,951</td>
<td>168.60</td>
<td>65.62</td>
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<tr>
<td>Terrebonne</td>
<td>25,312</td>
<td>77,769</td>
<td>312.77</td>
<td>101.80</td>
</tr>
<tr>
<td>Union</td>
<td>11,099</td>
<td>18,863</td>
<td>97.21</td>
<td>57.20</td>
</tr>
<tr>
<td>Vermilion</td>
<td>44,044</td>
<td></td>
<td></td>
<td>70.99</td>
</tr>
<tr>
<td>Vernon</td>
<td>10,892</td>
<td>55,010</td>
<td>100.34</td>
<td>19.86</td>
</tr>
<tr>
<td>Washington</td>
<td>14,384</td>
<td>42,936</td>
<td>150.72</td>
<td>50.49</td>
</tr>
<tr>
<td>Webster</td>
<td>17,265</td>
<td>40,842</td>
<td>119.83</td>
<td>50.65</td>
</tr>
<tr>
<td>West Baton Rouge</td>
<td>5,351</td>
<td>17,244</td>
<td>167.63</td>
<td>52.01</td>
</tr>
<tr>
<td>West Carroll</td>
<td>2,114</td>
<td>13,322</td>
<td>275.78</td>
<td>43.76</td>
</tr>
<tr>
<td>Parish</td>
<td>No. of Taxpayers per Parish</td>
<td>Population</td>
<td>Per Taxpayer State, Local &amp; Parish Taxes Paid</td>
<td>Per Capita State, Local &amp; Parish Taxes Paid</td>
</tr>
<tr>
<td>--------</td>
<td>-----------------------------</td>
<td>------------</td>
<td>-----------------------------------------------</td>
<td>---------------------------------------------</td>
</tr>
<tr>
<td>West Feliciana</td>
<td>4,274</td>
<td>11,632</td>
<td>$161.44</td>
<td>$59.31</td>
</tr>
<tr>
<td>Winn</td>
<td>8,958</td>
<td>16,739</td>
<td>88.18</td>
<td>47.19</td>
</tr>
<tr>
<td>TOTAL</td>
<td>1,119,163</td>
<td>3,733,663</td>
<td>$192.46</td>
<td>$57.68</td>
</tr>
</tbody>
</table>


2 Totals do not include amounts for Morehouse, Orleans, and Vermillion Parishes.
<table>
<thead>
<tr>
<th>STATE TAXES, LICENSES, FEES, ETC.:</th>
<th>Distribution by Major Funds</th>
<th>Pertinent Provisions</th>
<th>Authority for Dedication</th>
<th>Flow Chart of Disposition</th>
</tr>
</thead>
<tbody>
<tr>
<td>DEPARTMENT OF REVENUE:</td>
<td>Total 1971-1972</td>
<td>Bond Security and Redemption Fund</td>
<td>Other Funds</td>
<td>Constitutional</td>
</tr>
<tr>
<td>Alcoholic Beverage:</td>
<td>14,860,656.57</td>
<td>4,348,475.45</td>
<td>10,512,181.12</td>
<td>Property Tax Relief0</td>
</tr>
<tr>
<td>Tax</td>
<td>14,860,656.57</td>
<td>4,348,475.45</td>
<td>10,512,181.12</td>
<td>Property Tax Relief0</td>
</tr>
<tr>
<td>Fees, Inspection &amp; Gallonage Tax</td>
<td>159,599.69</td>
<td>159,599.69</td>
<td>-0-</td>
<td>RS 26:1-26:741</td>
</tr>
</tbody>
</table>
### Sources of Revenue Receipts Distributed by Major Funds; 1971 - 1972

#### 5-10-73

<table>
<thead>
<tr>
<th>Dept. of Revenue (cont'd)</th>
<th>Total 1971-1972</th>
<th>Bond Security and Redemption Fund</th>
<th>Other Funds</th>
<th>Pertinent Provisions</th>
<th>Authority for Dedication</th>
<th>Flow Chart of Disposition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beer:</td>
<td>$22,815,040.28</td>
<td>$22,815,040.28</td>
<td>Veterans Bonus Tax Account(^2)</td>
<td>Art.XVIII, RS 26:341-460; Art.XVIII, RS 26:459-460;</td>
<td>Art.XVIII, RS 26:459-460;</td>
<td>1) Maximum of $125,000 a year to Dept. of Revenue for cost of collecting state &amp; local; 2) Credit of 3% allowed dealers for breakage or spoilage; 3) Veterans' Bonus Fund for bonuses to veterans (and dependents) of W.W. II, Korean Conflict, Spanish American War, Boxer Rebellion, Philippine Insurrection, W.W. I, Viet Nam(^2); 4) Surplus to State General Fund.</td>
</tr>
<tr>
<td>Permit Fees</td>
<td>455,445.03</td>
<td>455,445.03</td>
<td>Veterans Bonus Tax Account(^2)</td>
<td>Art.XVIII, RS 26:341-460; Art.XVIII, RS 26:459-460;</td>
<td>Art.XVIII, RS 26:459-460;</td>
<td>1) $180,000. a year to Dept. of Revenue for cost of collection; 2) Balance dispensed in same manner as beer tax.</td>
</tr>
<tr>
<td>Parish Tax</td>
<td>114,548.67</td>
<td>114,548.67</td>
<td>Veterans Bonus Tax Account(^2)</td>
<td>RS 26:491 et seq.</td>
<td>RS 26:701-734</td>
<td>1) Total to Dept. of Revenue for expenses.</td>
</tr>
<tr>
<td>TOTAL: Beer Tax</td>
<td>23,385,033.98</td>
<td>23,385,033.98</td>
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<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Certificates of Title-Motor Vehicle:

<table>
<thead>
<tr>
<th>Pertinent Provisions</th>
<th>Authority for Dedication</th>
<th>Flow Chart of Disposition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Art.XVIII, RS 32:701-734</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Sources of Revenue Receipts Distributed by Major Funds: 1971 - 1972
5-10-73

<table>
<thead>
<tr>
<th>Dept. of Revenue</th>
<th>Total Bond Security and Redemption Fund</th>
<th>Other Funds Amount</th>
<th>Name of Fund</th>
<th>Pertinent Provisions Constitutional</th>
<th>Statutory</th>
<th>Authority for Dedication Constitutional</th>
<th>Statutory</th>
<th>Flow Chart of Disposition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Certificates of Title-Motor Vehicle: Title Fees</td>
<td>$3,302,289.00</td>
<td>$ -o-</td>
<td>$ 3,302,289.00 Revenue Dept.</td>
<td>RS 32:728; 32:718; 32:720.1</td>
<td>RS 32:733</td>
<td>1) Commissioner authorized to withhold as much of title certificate fees as is necessary to defray cost of administering Vehicle Certificate of Title Law and to pay additional expense incurred in manufacturing vehicle registration reflector license plates; 2) Next $1,106,000.00 of fees collected dedicated to Dept. of Public Safety to be used for additional force of 100 state troopers and for operation and maintenance of additional state police vehicles and equipment, any surplus to be transferred to State General Fund. [Commissioner entitled to receive $2,000 annually, payable from funds appropriated for administration of this chapter. All fees collected under RS 32:718(c) [dealer's license] and RS 32:720.1(b) [salesman's license] to be retained by Commissioner and utilized for administering Louisiana Vehicle Certificate of Title Law].</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

[57]
### Sources of Revenue Receipts Distributed by Major Funds: 1971 - 1972
5-10-73

<table>
<thead>
<tr>
<th>Dept. of Revenue (cont'd)</th>
<th>Total 1971-1972</th>
<th>Bond Security and Redemption Fund</th>
<th>Other Funds</th>
<th>Pertinent Provisions</th>
<th>Authority for Dedication</th>
<th>Flow Chart of Disposition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Temporary Markers $</td>
<td>$155,518.00</td>
<td>$ -o-</td>
<td>$155,518.00</td>
<td>Division of State Police</td>
<td>RS 32:718 (c)</td>
<td>Temporary Markers: Total collections to Dept. of Public Safety, Division of State Police.</td>
</tr>
<tr>
<td>TOTAL: Certificates of</td>
<td>3,457,807.00</td>
<td>-o-</td>
<td>3,457,807.00</td>
<td>General Fund</td>
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<td></td>
</tr>
<tr>
<td>Title-Motor Vehicle</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1)Maximum of $100,000, a year to Dept. of Revenue for cost of collection; 2)Maximum of $1,000,000, a year to Charity Hospital at New Orleans for bond service authorized by Act 97 of 1966, and any surplus to State General Fund; 3)$40,000, to Governor's Law Enforcement Fund; 4) (a) $350,000, a year to LSU for capital construction; (b) $1,217,000, a year to LSU for maintenance and capital construction; 5)Maximum of $500,000, a year to State Bd. of Education and LSU for bond servicing under Act 376 of 1966 (60% to State Bd. of Ed. and 40% to LSU); 6) $150,000, to State Board of Education for bond servicing of Southern University and Delgado College for additional bonds; 7)Industrial Development Fund³; 8)State General Fund.</td>
</tr>
<tr>
<td>Dept. of Revenue (cont'd)</td>
<td>Distribution by Major Funds</td>
<td>Pertinent Provisions</td>
<td>Authority for Dedication</td>
<td>Flow Chart of Disposition</td>
<td></td>
<td></td>
</tr>
<tr>
<td>--------------------------</td>
<td>----------------------------</td>
<td>----------------------</td>
<td>--------------------------</td>
<td>---------------------------</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total 1971-1972</td>
<td>Bond Security and Redemption Fund</td>
<td>Other Funds</td>
<td>Constitutional</td>
<td>Statutory</td>
<td>Constitutional</td>
</tr>
<tr>
<td>Electricity:</td>
<td></td>
<td>$ 19,843.40 $ 19,843.40</td>
<td>-o-</td>
<td>RS 12:401-430</td>
<td>RS 12:425</td>
<td>State General Fund</td>
</tr>
<tr>
<td>Cooperative Tax</td>
<td></td>
<td>$ 7,187,374.20 7,187,374.20</td>
<td>-o-</td>
<td>RS 47:1061-1072</td>
<td>RS 47:1071-1072</td>
<td>1)Maximum of $25,000. a year to Dept. of Revenue for cost of collection; 2)Balance to State General Fund.</td>
</tr>
<tr>
<td>Power Use Tax</td>
<td></td>
<td>3,856,290.84 3,856,290.84</td>
<td>-o-</td>
<td>RS 47:1151-1160</td>
<td>RS 47:1160</td>
<td>State General Fund</td>
</tr>
<tr>
<td>TOTAL: Taxes on Electricity</td>
<td></td>
<td>11,063,508.44 11,063,508.44</td>
<td>-o-</td>
<td>RS 47:1201-1212</td>
<td>RS 47:1212</td>
<td>State General Fund</td>
</tr>
<tr>
<td>Hotel-Motel Occupancy Tax:</td>
<td>52,836.42</td>
<td>52,836.42</td>
<td>General Fund</td>
<td>Art.XIV, §47</td>
<td>Art.XIV, §47</td>
<td>1)Total to La. Stadium Exposition District except 1% tax Orleans Parish School Board is authorized to impose and 1% tax Jefferson Parish School Bd. is authorized to impose. (Amount shown in figures going to State General Fund goes to Dept.of Revenue for costs of collection).</td>
</tr>
</tbody>
</table>
### Sources of Revenue Receipts Distributed by Major Funds: 1971 - 1972

<table>
<thead>
<tr>
<th>Dept. of Revenue (cont'd)</th>
<th>Distribution by Major Funds</th>
<th>Pertinent Provisions</th>
<th>Authority for Dedication</th>
<th>Flow Chart of Disposition</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total 1971-1972</td>
<td>Bond Security</td>
<td>Other Funds</td>
<td>Constitutional</td>
</tr>
<tr>
<td></td>
<td>176,936.06</td>
<td>$176,936.06</td>
<td>$176,936.06</td>
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</tr>
<tr>
<td>Inspection Fees:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Petroleum Products</td>
<td>$617,136.04</td>
<td>$0</td>
<td>$617,136.04</td>
<td>General Fund</td>
</tr>
<tr>
<td>Liquefied Petroleum: Gas Permits</td>
<td>72,610.01</td>
<td>72,610.01</td>
<td>$0</td>
<td></td>
</tr>
<tr>
<td>Motor Carrier Regulatory Tax:</td>
<td>78,039.27</td>
<td>$0</td>
<td>78,039.27</td>
<td>Supervision &amp; Inspection Fee</td>
</tr>
<tr>
<td>Natural Gas Franchise Tax:</td>
<td>1,612,171.43</td>
<td>1,612,171.43</td>
<td>$0</td>
<td></td>
</tr>
<tr>
<td>Dept. of Revenue (cont'd)</td>
<td>Distribution by Major Funds</td>
<td>Pertinent Provisions</td>
<td>Authority for Dedication</td>
<td>Flow Chart of Disposition</td>
</tr>
<tr>
<td>-------------------------------------------</td>
<td>-----------------------------</td>
<td>----------------------</td>
<td>--------------------------</td>
<td>---------------------------</td>
</tr>
<tr>
<td>Occupational Licenses: $9,781,756.70</td>
<td>$ 9,781,756.70</td>
<td>Art. X, §8</td>
<td>RS 47:341-405</td>
<td>1) Maximum of $200,000 a</td>
</tr>
<tr>
<td></td>
<td></td>
<td>House Con.</td>
<td></td>
<td>year to Dept. of Revenue</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Res. No.</td>
<td></td>
<td>for cost of collection;</td>
</tr>
<tr>
<td></td>
<td></td>
<td>25 of 1957</td>
<td></td>
<td>2) Balance of collections,</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>less allowable deductions</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>and refunds, to State</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>General Fund.</td>
</tr>
<tr>
<td>Public Utilities Tax: 6,173,128.52</td>
<td>6,173,128.52</td>
<td>Property Tax Relief</td>
<td>RS 47:1001-1010</td>
<td>1) Maximum of $24,000 a</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>year to Dept. of Revenue</td>
</tr>
<tr>
<td></td>
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<td></td>
<td></td>
<td>for cost of collection;</td>
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<td></td>
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<td></td>
<td>2) Balance of collections,</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>to Property Tax Relief</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Fund.</td>
</tr>
<tr>
<td>Reforestation Tax: 41,556.67</td>
<td>41,556.67</td>
<td>Severance Tax</td>
<td>Art. X, §§1;</td>
<td>3/4 of collections to</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>21(2)</td>
<td>parishes in which forest</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>56:1484-56:1541</td>
<td>products are severed and</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>1489;</td>
<td>1/4 to State General</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>56:1541-1543</td>
<td>Fund.</td>
</tr>
<tr>
<td>Sales Tax: General Tax 277,765,490.19</td>
<td>79,546,078.81</td>
<td>Fiscal Authority</td>
<td>RS 17:2251-2255</td>
<td>1) Vendors allowed 2% of</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Bond Redemption</td>
<td>39:465-466</td>
<td>tax collected as deduct-</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Act 9 of 1968</td>
<td>47:317-318</td>
<td>ion, provided amount due</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Senate Con.</td>
<td></td>
<td>is not delinquent at</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Res. No. 65</td>
<td></td>
<td>time of payment';</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2) Maximum of $1,100,000.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Act 9 of 1968 (RS 17:2978</td>
</tr>
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<td></td>
<td></td>
<td></td>
<td></td>
<td>6 17:2981)</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td>3/4% of collections dedi-</td>
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<td></td>
<td></td>
<td></td>
<td>cated to Bond Redemption</td>
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<td></td>
<td></td>
<td>Fund of La. Fiscal Auth-</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td>ory for payment of</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td>bonds authorized by</td>
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</tr>
</tbody>
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Sources of Revenue Receipts Distributed by Major Funds: 1971 - 1972
5-10-73

<table>
<thead>
<tr>
<th>Dept. of Revenue (cont'd)</th>
<th>Total 1971-1972</th>
<th>Bond Security and Redemption Fund</th>
<th>Other Funds</th>
<th>Pertinent Provisions</th>
<th>Authority for Dedication</th>
<th>Flow Chart of Disposition</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>$1,971,194.12 State School Construction</td>
<td></td>
<td>Constitutional</td>
<td>Statutory</td>
<td>Act 2 of 1962 with any surplus transferred to Public Welfare Fund; 4) To Capital Construction and Improvement Commission (a) Balance to cover $340 million bond issue authorized by Act 73 of 1965 (b) 1% of collections to pay for bonds issued by authority of Act 84 of 1966; 5) $900,000, or an amount equal to maximum annual interest requirement, whichever is less, is to go to Larose-Lafitte Toll Road Authority to help finance cost of expressway revenue bonds; 6) Appropriation by legislature to cover expenses of Dept. of Public Welfare; 7) Recent appropriation bills, including Act 9 of 1968, provide any surplus in Public Welfare Fund goes to State General Fund.</td>
</tr>
</tbody>
</table>

Parish Service Charge

<table>
<thead>
<tr>
<th>Parish Service Charge</th>
<th>189,252.17</th>
<th>-o-</th>
<th>189,252.17</th>
<th>General Fund</th>
</tr>
</thead>
</table>

TOTAL: Sales Tax 277,954,742.36 79,546,078.81 198,408,663.55

RS 33:2711 et. seq. RS 33:2711 et. seq. Total to Dept. of Revenue for cost of collection.
## Sources of Revenue Receipts Distributed by Major Funds: 1971 - 1972

5-10-73

<table>
<thead>
<tr>
<th>Dept. of Revenue (cont’d)</th>
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<th>Authority for Dedication</th>
<th>Flow Chart of Disposition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Severance Tax on Natural Resources:</td>
<td>$242,255,478.75</td>
<td>$478,956.32</td>
<td>$241,776,522.43</td>
<td>Severance Tax</td>
<td>Art. X, §§1,21, 24; Art. XII, §14</td>
<td>RS 47:351; 47:644-645</td>
</tr>
</tbody>
</table>
### Sources of Revenue Receipts Distributed by Major Funds: 1971 - 1972

**5-10-73**

<table>
<thead>
<tr>
<th>Dept. of Revenue (cont'd)</th>
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<th>Authority for Dedication</th>
<th>Flow Chart of Disposition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Soft Drinks: Tax</td>
<td>$3,572,545.91</td>
<td>$3,572,545.91</td>
<td></td>
<td>$-o-</td>
<td>RS 47:881-908</td>
<td>RS 47:906-907</td>
<td>1) Maximum of $75,000.00 a year to Dept. of Revenue for cost of collection; 2) Balance of collection to State General Fund.</td>
</tr>
<tr>
<td>Permit Fees</td>
<td>5,764.00</td>
<td>5,764.00</td>
<td></td>
<td>$-o-</td>
<td>Same</td>
<td>Same</td>
<td>Same as soft drinks tax</td>
</tr>
<tr>
<td>TOTAL: Soft Drinks Tax</td>
<td>3,578,309.91</td>
<td>3,578,309.91</td>
<td></td>
<td>$-o-</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Supervision &amp; Inspection Fees:</td>
<td>189,801.28</td>
<td>$-o-</td>
<td>189,801.28</td>
<td>Supervision &amp; Inspection Fee</td>
<td>RS 45:1177-1179</td>
<td></td>
<td>Deposited in Supervision &amp; Inspection Fee Fund to be spent by La. Public Service Commission for enforcement.</td>
</tr>
<tr>
<td>Tobacco Tax: Tax</td>
<td>47,424,783.10</td>
<td>12,614,624.44</td>
<td>34,810,158.66</td>
<td>Tobacco Tax</td>
<td>RS 1:11.1; 47:841-869</td>
<td>RS 1:11.1; 47:868-869</td>
<td>1) Maximum of $125,000. a year to Dept. of Revenue for cost of collection; 2) Discount of 9% granted to qualified dealers if stamps are purchased in quantities of over $100 face value;</td>
</tr>
</tbody>
</table>
Sources of Revenue Receipts Distributed by Major Funds: 1971 - 1972
5-10-73

<table>
<thead>
<tr>
<th>Dept. of Revenue (cont'd)</th>
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</tr>
</thead>
<tbody>
<tr>
<td>Tobacco Tax (cont'd)</td>
<td></td>
<td></td>
<td></td>
<td>Constitutional</td>
<td>Statutory</td>
<td>3) $1,000,000.00 a year to LSU for endowment, maintenance, construction, repair or equipment; 4) Localities (a) 37-1/2% of collections remaining after above dedications to be distributed as follows: 1) Municipalities incorporated on or before August 1, 1962, according to following schedule of census population and amount per inhabitant; $1,000 or less - $4.65 plus 9%; 1,001 through 2,500 $4.65 plus 9%; 2,501 through 10,000 - $4.25 plus 9%; 10,001 through 25,000 - $4.00 plus 9%; 25,001 through 100,000 - $3.50 plus 9%; over 100,000 - $2.50 plus 9%; 2) if allocations to incorporated municipalities do not equal 37-1/2% of collections (less dedications 1-3 above), remaining portion of 37-1/2% is to be distributed as follows: (a) Parishes with no incorporated municipalities are to receive $1.50 per inhabitant; (b) If revenue remains from 37-1/2% of collections, to be used to increase allocations to</td>
</tr>
</tbody>
</table>
Sources of Revenue Receipts Distributed by Major Funds; 1971 - 1972
5-10-73

<table>
<thead>
<tr>
<th>Dept. of Revenue (cont'd)</th>
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</tr>
</thead>
<tbody>
<tr>
<td>Tobacco Tax (cont'd)</td>
<td></td>
<td>Amount</td>
<td>Name of Fund</td>
<td></td>
</tr>
</tbody>
</table>

Pertinent Provisions
Constitutional Statutory
Authority for Dedication
Constitutional Statutory

3) $1,000,000.00 a year to LSU for endowment, maintenance, construction, repair or equipment;
4) Localities (a) 37-1/2% of collections remaining after above dedications to be distributed as follows: 1) Municipalities incorporated on or before August 1, 1962, according to following schedule of census population and amount per inhabitant: $1,000 or less - $4.65 plus 9%; 1,001 through 2,500 through 10,000 - $4.25 plus 9%; 10,001 through 25,000 - $4.00 plus 9%; 25,001 through 100,000 - $3.50 plus 9%; over 100,000 - $2.50 plus 9%; 2) If allocations to incorporated municipalities do not equal 37-1/2% of collections (less dedications 1-3 above), remaining portion of 37-1/2% is to be distributed as follows: (a) Parishes with no incorporated municipalities are to receive $1.50 per inhabitant; (b) If revenue remains from 37-1/2% of collections, to be used to increase allocations to
### Sources of Revenue Receipts Distributed by Major Funds; 1971 - 1972

5-10-73

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<thead>
<tr>
<th>Dept. of Revenue (cont'd)</th>
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<tbody>
<tr>
<td>Tobacco Tax (cont'd)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Constitutional Statutory**

**Constitutional Statutory**

municipalities, beginning with those receiving smallest per capita allocations and continuing until they receive per capita allocation equal to that of municipality in next highest category, until all municipalities receive equal per capita allocations; 4) (b) Of remaining collections, cities over 100,000 population to receive additional 50¢ per inhabitant; 5) If any excess of 37-1/2% collections, excess is equally divided among all municipalities and qualified parishes. Additional 3¢ cigarette tax enacted by Acts 1970, No. 526, is distributed according to Acts 1970, No. 211 and subsequent General Appropriation Acts as follows: 1/2 of total collections dedicated to City of New Orleans and balance to all qualifying municipalities and parishes on per capita basis.
Sources of Revenue Receipts Distributed by Major Funds: 1971 - 1972  
5-10-73  

<table>
<thead>
<tr>
<th>Dept. of Revenue (cont'd)</th>
<th>Total 1971-1972</th>
<th>Bond Security Redemption Fund Amount</th>
<th>Other Funds Name of Fund</th>
<th>Pertinent Provisions</th>
<th>Authority for Dedication</th>
<th>Flow Chart of Disposition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tobacco Tax (cont'd)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Permit Fees</td>
<td>$ 39,216.12</td>
<td>$ -o-</td>
<td>$ 39,216.12 Tobacco Tax</td>
<td>RS 1:1.1; 47:841-869</td>
<td>RS 1:1.1; 47:868-869</td>
<td>Total collections from permit fees withheld by Dept. of Revenue for cost of collection.</td>
</tr>
<tr>
<td>TOTAL: Tobacco Tax</td>
<td>47,463,999.22</td>
<td>12,614,624.44</td>
<td>34,849,374.78</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOTAL: DEPARTMENT OF REVENUE</td>
<td>$857,322,025.88</td>
<td>$186,824,643.03</td>
<td>$670,497,382.85</td>
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</table>

MINERAL RESOURCES:

<table>
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<tr>
<th>Royalties:</th>
<th>143,907,628.53</th>
<th>117,016,865.68</th>
<th>14,390,762.85 Parish Road Fund-052 Art. IV, $2 RS 30:136</th>
<th>Art. IV, $2 RS 30:136</th>
<th></th>
<th>1)10% of total royalty collections returned to parishes in which production occurs via Royalty Road Fund; 2) $12,500,000 dedicated to Long Range Highway Fund; 3)Balance to State General Fund.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>12,500,000.00</td>
<td>Long Range Highway Fund-055</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rentals:</td>
<td>2,182,737.76</td>
<td>2,172,737.76</td>
<td>10,000.00 State Police Retirement</td>
<td>RS 30:127</td>
<td>RS 30:127; 40:1423.1</td>
<td>1)Dedication of $10,000. to State Police Retirement Fund; 2)Balance to State General Fund.</td>
</tr>
</tbody>
</table>


### Sources of Revenue Receipts Distributed by Major Funds: 1971 - 1972

5-10-73

<table>
<thead>
<tr>
<th>Mineral Resources (cont'd)</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>Bond Security and Redemption Fund</td>
<td>Other Funds</td>
<td>Constitutional</td>
<td>Statutory</td>
</tr>
<tr>
<td></td>
<td>Leases and Royalties-Rockefeller Fund:</td>
<td>1,825,387.96</td>
<td>-o-</td>
<td>1,679,480.39</td>
</tr>
</tbody>
</table>

[381]
**Sources of Revenue Receipts Distributed by Major Funds: 1971 - 1972**

5-10-73

<table>
<thead>
<tr>
<th>Mineral Resources (cont'd)</th>
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<td>Bond Security and Redemption Fund</td>
<td>Other Funds</td>
<td>Constitutional</td>
<td>Statutory</td>
<td>Constitutional</td>
</tr>
<tr>
<td>Fees-State Land Office:</td>
<td>$ 98,419.96</td>
<td>$ 52,416.88</td>
<td>$ 46,003.08</td>
<td>Land Management Fund</td>
<td>RS 41:1173</td>
</tr>
<tr>
<td>Sales of Rights-of-Way</td>
<td>26,300.56</td>
<td>26,300.56</td>
<td>-o-</td>
<td>RS 41:1261; 41:1211</td>
<td>RS 41:1261; 41:1211 et. seq.</td>
</tr>
<tr>
<td>Surface Leases</td>
<td>55,723.46</td>
<td>55,723.46</td>
<td>-o-</td>
<td>RS 47:2224</td>
<td>RS 47:2224</td>
</tr>
<tr>
<td>Interest on Escrow Account (Rights-of-Way)</td>
<td>9,245.31</td>
<td>9,245.31</td>
<td>-o-</td>
<td>RS 41:10001-1006</td>
<td>RS 41:10001-1006</td>
</tr>
<tr>
<td>Forfeited Bonds</td>
<td>2,132.16</td>
<td>2,132.16</td>
<td>-o-</td>
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</tr>
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## Sources of Revenue Receipts Distributed by Major Funds; 1971 - 1972

### 5-10-73

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<td>Consti-</td>
<td>Statutory</td>
<td>Consti-</td>
</tr>
<tr>
<td></td>
<td>Amount</td>
<td>Name of Fund</td>
<td>tutional</td>
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<td>tutional</td>
</tr>
<tr>
<td>Zone II Impoundment</td>
<td>$ 16,088.71</td>
<td>$ -o-</td>
<td>$ 16,088.71</td>
<td>Tidelands Escrow</td>
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</tbody>
</table>

**TOTAL: State Land Office Fees**

| 246,375.38 | 184,283.59 | 62,091.79 |

**TOTAL: MINERAL RESOURCES**

| 163,346,013.05 | 126,979,324.15 | 36,366,688.90 |

**OTHER RECEIPTS:**

| Ad Valorem Tax | 29,116,994.25 | -o- | 2,779,178.33 | General Fund | Art. IV, RS 17:1516; Art. IV, $12.12(a), 13; Art. XI, $65 | Art. XIV, §36,7,8 |
| 7,277,001.51 | State Bond & Interest Tax | 1212(a), 13; Art. XI, $65 | 33:1421-1429; Art. XII, §14; Art. XIV, §1504 | Art. XIV, §45 | Art. XVII, Act 437 of |
| 2,478,600.58 | State University Fund | 11,12,15, 16,20; Art. XII, $2230; Art. XIV, §45 | 38:2431-2436; Art. XVII, Act 437 of | Art. XIV, §1; Art. XVIII, §3,6,7,8 |
| 12,375,836.76 | Public School Fund | 11,12,15, 16,20; Art. XII, $2230; Art. XIV, §45 | 39:452; §§3,6,7,8; Art. XII, §17 | Art. XIV, §45 | Art. XVII, Act 437 of |
| 4,206,377.07 | Confederate Veterans' Fund | 11,12,15, 16,20; Art. XII, $2230; Art. XIV, §45 | 47:1701-1704; Act 437 of | Art. XIV, §45 | Art. XVII, Act 437 of |

1) 1.47 mills to State Bond and Interest Tax Fund for:
   (a) Interest on permanent state debts-Free School Fund, Seminary Fund, Agricultural & Mechanical College Fund;
   (b) Redemption of certain bonds issued by La. State Building Authority as authorized by Act 13 of 1954;
   (c) Any surplus to State General Fund or used to retire bonds in advance of maturity;

2) 0.53 mills (a) to State Bond and Building Commission to retire bonds
Sources of Revenue Receipts Distributed by Major Funds: 1971 - 1972
5-10-73

<table>
<thead>
<tr>
<th>Other Receipts (cont'd)</th>
<th>Total 1971-1972</th>
<th>Bond Security and Redemption Fund</th>
<th>Pertinent Provisions</th>
<th>Authority for Dedication</th>
<th>Flow Chart of Disposition</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Amount</td>
<td>Name of Fund</td>
<td>Constitutional Statutory</td>
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</tr>
</tbody>
</table>

- Authorized by Act 108 of 1965; 
- To Board of Supervisors of LSU for (1) Retirement of bonds authorized by Act 12 of 1966 authorizing construction of medical school in Shreveport; (2) Retirement of bonds authorized by Act 437 of 1966 authorizing construction of dental school in New Orleans; 
- (c) Any surplus to Bond Security and Redemption Fund after payment of certain bonds, surplus of Bond Security and Redemption Fund is transferred to State General Fund; 
- 3) 2.5 mills to Public School Fund for (a) public schools; (b) Isaac Delgado College, $50,000 a year from taxes collected in New Orleans; 
- 4) 0.75 mills to Confederate Veterans' Fund for (a) Pensions for Confederate Veterans and their widows; 
- (b) Redemption of institutional improvement bonds authorized by constitution, Art. XVIII, §8; (c) Surplus revenues dedicated to Dept. of Public Works for
Sources of Revenue Receipts Distributed by Major Funds: 1971 - 1972
5-10-73

<table>
<thead>
<tr>
<th>Other Receipts (cont'd)</th>
<th>Total 1971-1972</th>
<th>Bond Security and Redemption Fund</th>
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<tbody>
<tr>
<td></td>
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<td>Amount</td>
<td>Name of Fund</td>
<td>Constitutional</td>
<td>Statutory</td>
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</tr>
</tbody>
</table>

Alcoholic Beverage Permits
$ 778,319.14 $ 778,319.14

- o -

RS 26:3;
26:71-
106;
26:271-
304

RS 26:72

Beverages of high alcoholic content:
1) $350,000. a year withheld by Dept. of Revenue; 13
2) Balance to State General Fund.

10 years beginning in fiscal 1961-62 for use in water conservation, recreation, development of water resources up to $15 million total to Toledo Bend project; (d) Beginning in 1971-72, surplus transferrable to State General Fund;
5) 0.50 mills to LSU for (a) Endowment and support of university up to $1,000,000. a year; (b) Revenues above $1,000,000. a year to State General Fund;
6) 25 mills on rolling stock of nonresidents to be paid to State General Fund;
7) Portion of collections withheld by sheriffs and tax assessors. However, no amount withheld from collections for Confederate Veterans' Fund.
<table>
<thead>
<tr>
<th>Other Receipts (cont'd)</th>
<th>Total 1971-1972</th>
<th>Bond Security and Redemption Fund</th>
<th>Other Funds</th>
<th>Pertinent Provisions</th>
<th>Authority for Dedication</th>
<th>Flow Chart of Disposition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Excise License Tax-Insurance</td>
<td>$21,523,380.24</td>
<td>$19,507,309.16</td>
<td>$1,000,000.00</td>
<td>Excise License Tax</td>
<td>Art. XII, RS 22:2; $17</td>
<td>Art. XII, RS 22:2; $17</td>
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<td>22:355; 22:1061-1075</td>
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<td>22:1079; 22:1265; 1662</td>
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<td>1,016,071.08</td>
<td>Fire Marshal Fund</td>
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<tr>
<td>Inheritance Tax</td>
<td>$9,411,000.98</td>
<td>$9,411,000.98</td>
<td></td>
<td>Art. X, RS 47:2401-</td>
<td>Art. X, RS 47:2417-</td>
<td>1) Tax collectors, except</td>
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<td>$7 2433; 47:2451</td>
<td>$7 2419</td>
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</table>
### Sources of Revenue Receipts Distributed by Major Funds: 1971 - 1972

**5-10-73**

<table>
<thead>
<tr>
<th>Other Receipts (cont'd)</th>
<th>Total 1971-1972</th>
<th>Bond Security and Redemption Fund</th>
<th>Other Funds Amount</th>
<th>Name of Fund</th>
<th>Pertinent Provisions Constitutional Statutory Authority for Dedication Constitutional Statutory</th>
<th>Flow Chart of Disposition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest on Invested Funds:</td>
<td>$ 6,535,104.21</td>
<td>$ 6,535,104.21</td>
<td>$ 0</td>
<td></td>
<td>Act 40 of 1969</td>
<td>If no tax due, attorneys receive specified amounts payable from assets; 3) State General Fund.</td>
</tr>
<tr>
<td>Medicare Receipts:</td>
<td>27,620,881.80</td>
<td>0</td>
<td>0</td>
<td>Hospital Medicare Residue</td>
<td></td>
<td>State General Fund 14.</td>
</tr>
<tr>
<td>Unencumbered Balances:</td>
<td>2,898,440.68</td>
<td>0</td>
<td>0</td>
<td>General Fund</td>
<td>2,384,547.62</td>
<td>Total collections to Hospital Medicare Residue Fund to be used for operation of all state hospitals participating in medicare program.</td>
</tr>
<tr>
<td></td>
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<td>Conservation Fund</td>
<td>255,002.04</td>
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<td></td>
<td>Public Welfare Fund</td>
<td>94,112.40</td>
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<td></td>
<td>Supervision &amp; Inspection Fees</td>
<td>1,331.06</td>
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<td></td>
<td>Public School Fund</td>
<td>149,173.12</td>
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<td></td>
<td></td>
<td>Severance Tax</td>
<td>14,274.84</td>
<td>Unencumbered balances revert to various funds from which appropriations were made.</td>
</tr>
</tbody>
</table>
### Sources of Revenue Receipts Distributed by Major Funds: 1971 - 1972

**5-10-73**

<table>
<thead>
<tr>
<th>Other Receipts (cont'd)</th>
<th>Distribution by Major Funds</th>
<th>Pertinent Provisions</th>
<th>Authority for Dedication</th>
<th>Flow Chart of Disposition</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total 1971-1972</td>
<td>Bond Security and Redemption Fund</td>
<td>Other Funds</td>
<td>Constitutional</td>
</tr>
<tr>
<td>Agency Receipts Deposited with State Treasurer (see Attachment &quot;A&quot;)</td>
<td></td>
<td></td>
<td></td>
<td>General Fund</td>
</tr>
<tr>
<td></td>
<td>$ 2,516,015.41</td>
<td>$ 2,150,479.84</td>
<td>$ 357,376.62</td>
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<td></td>
<td>1,785.00</td>
<td>Corporation Franchise Tax</td>
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<td></td>
<td>2,418.95</td>
<td>Property Tax Relief</td>
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<tr>
<td></td>
<td>3,955.00</td>
<td>Supervision &amp; Inspection Fees</td>
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<tr>
<td>State Banking Department Fees:</td>
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<tr>
<td>Banks</td>
<td>369,176.00</td>
<td>369,176.00</td>
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<tr>
<td>Building &amp; Loan Association</td>
<td>140,405.00</td>
<td>140,405.00</td>
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<tr>
<td>Small Loan &amp; Credit Union</td>
<td>293,655.00</td>
<td>293,655.00</td>
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<tr>
<td>TOTAL: State Banking Department</td>
<td></td>
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<tr>
<td></td>
<td>$ 803,236.00</td>
<td>$ 803,236.00</td>
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</tbody>
</table>

State General Fund.
## Sources of Revenue Receipts Distributed by Major Funds: 1971 - 1972

### 5-10-73

<table>
<thead>
<tr>
<th>Other Receipts (cont'd)</th>
<th>Total 1971-1972</th>
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<th>Pertinent Provisions</th>
<th>Authority for Dedication</th>
<th>Flow Chart of Disposition</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Bond Security and Redemption Fund</td>
<td>Other Funds</td>
<td>Constitutional</td>
<td>Statutory</td>
<td>Constitutional</td>
</tr>
<tr>
<td>Secretary of State Fees: Incorporation Taxes</td>
<td>$ 232,611.75</td>
<td>$ 232,611.75</td>
<td>$ -o-</td>
<td>RS 12:171</td>
<td>Act 632 of 1970</td>
</tr>
<tr>
<td>TOTAL: Secretary of State Fees</td>
<td>541,960.60</td>
<td>541,960.60</td>
<td>-o-</td>
<td></td>
<td>State General Fund.</td>
</tr>
<tr>
<td>Wildlife &amp; Fisheries Commission Fees:</td>
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<td></td>
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<td></td>
</tr>
<tr>
<td>Licenses, Fees, Severance Tax, etc.</td>
<td>937,918.16</td>
<td>-o-</td>
<td>937,918.16 Conservation Fund</td>
<td>RS 56:257; 56:631; 56:458; 56:447</td>
<td>Conservation Fund to be used by Dept. of Wildlife &amp; Fisheries for operating expenses.</td>
</tr>
</tbody>
</table>
Sources of Revenue Receipts Distributed by Major Funds: 1971 - 1972  
5-10-73

<table>
<thead>
<tr>
<th>Other Receipts (cont'd)</th>
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<th>Authority for Dedication</th>
<th>Flow Chart of Disposition</th>
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</thead>
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<tr>
<td>Wildlife &amp; Fisheries Commission Fees:</td>
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<tr>
<td>Trapping Licenses</td>
<td>4,908.17</td>
<td>-o-</td>
<td>4,908.17</td>
<td>Conservation Fund</td>
<td>RS 56:104</td>
<td>Conservation Fund to be used by Dept. of Wildlife &amp; Fisheries for operating expenses.</td>
</tr>
<tr>
<td>Hunting Licenses</td>
<td>837,869.05</td>
<td>-o-</td>
<td>837,869.05</td>
<td>Conservation Fund</td>
<td>RS 56:104</td>
<td>Conservation Fund to be used by Dept. of Wildlife &amp; Fisheries for operating expenses.</td>
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<tr>
<td>Rentals</td>
<td>130,881.35</td>
<td>-o-</td>
<td>130,881.35</td>
<td>Conservation Fund</td>
<td>RS 56:435</td>
<td>Conservation Fund to be used by Dept. of Wildlife &amp; Fisheries for operating expenses.</td>
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<tr>
<td>Motor Boat Registration</td>
<td>193,062.00</td>
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<td>193,062.00</td>
<td>Conservation Fund</td>
<td>RS 34:851.4</td>
<td>Conservation Fund to be used by Dept. of Wildlife &amp; Fisheries for operating expenses.</td>
</tr>
<tr>
<td><strong>TOTAL: Wildlife &amp; Fisheries Comm.</strong></td>
<td>2,390,300.36</td>
<td>-o-</td>
<td>2,390,300.36</td>
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<tr>
<td><strong>TOTAL: OTHER RECEIPTS</strong></td>
<td>104,135,633.67</td>
<td>$39,727,409.93</td>
<td>64,408,223.74</td>
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<tr>
<td><strong>TOTAL STATE TAXES, LICENSES, FEES, ETC. (Except Hwy. Dept.)</strong></td>
<td>$1,124,803,672.60</td>
<td>$353,531,377.11</td>
<td>$771,272,295.49</td>
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</tbody>
</table>
Sources of Revenue Receipts Distributed by Major Funds: 1971 - 1972  
5-10-73

<table>
<thead>
<tr>
<th>Bond Security and Redemption Fund</th>
<th>Other Funds</th>
<th>Pertinent Provisions</th>
<th>Authority for Dedication</th>
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</thead>
<tbody>
<tr>
<td>Total 1971-1972</td>
<td>Amount</td>
<td>Name of Fund</td>
<td>Constitutional Statutory</td>
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<tr>
<td>Highway Fund:</td>
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<tr>
<td>Gasoline Taxes:</td>
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| Art. VI, §22.23, 25; Art.VI-A; Art.XII, §14; Art.XIV, §24.1 | RS 47:711-727; 728; 800; 51:781-800; Acts 9 & 10 of 1968 Extra Sess. | Art. VI, §22 for 4 cents; Art.VI-A for 1 cent; Art.VI-A for withholds for collection | RS 47:727 (A) for 4 cents; RS 47:727 (B) for 2 cents; RS 47:711 (C) & Extra Sess. of 1968 for 1 cent; RS 47:726 for withholds for collection | 1) Maximum of $362,000.00 a year to Dept. of Revenue for cost of collection; 2) Dealers may deduct 3% of 5¢ of gasoline tax for loss in handling; 3) ¼ of tax to General Hwy. Fund for construction and maintenance and payment of certain bonds; 4) 1¢ to special bond fund of Dept. of Highways, with any surplus credited to General Highway Fund; 5) 1¢ to Parish One-Cent Gasoline Fund to be apportioned to parishes and New Orleans on basis of their proportion of gasoline sold in state during preceding calendar year. Parishes shall use money allocated for construction and maintenance of roads and bridges; New Orleans shall use its share for streets and bridges; 6) (a) 1/2 of 1¢ to be paid to General Highway Fund for maintenance and construction; (b) from proceeds of 9/20 of 1¢ gasoline tax, Board of Commissioners of Port of New Orleans to |
Sources of Revenue Receipts Distributed by Major Funds: 1971 - 1972
5-10-73

<table>
<thead>
<tr>
<th>Highway Fund (cont'd)</th>
<th>Total 1971-1972</th>
<th>Bond Security and Redemption Fund</th>
<th>Other Funds</th>
<th>Pertinent Provisions</th>
<th>Authority for Dedication</th>
<th>Flow Chart of Disposition</th>
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<td>Statutory</td>
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</table>

Gasoline Taxes (cont'd)

receive difference between total amount due for annual bond payments on bonds payable in 1952 and amount received by ports from its contract with New Orleans Levee Board and Public Belt Railroad. This dedication is to continue until port bonds outstanding in 1952 are retired. New Orleans port also is to receive $500,000.00 a year even after bonds outstanding in 1952 fully are paid. Port Commission has pledged the $500,000.00 a year to a 1955 bond issue. Balance of proceeds of 9/20 of 1¢ to be paid to General Highway Interest & Bond Redemption Fund for payment of principal and interest on bonds not to exceed $30 million dollars; (c) 1/20 of 1¢ to be paid to Board of Commissioners, Lake Charles Harbor & Terminal District, for bond payment; excess may be used by port as current revenue; 7) Any surpluses from gasoline taxes (and other highway user taxes) are to be placed
Sources of Revenue Receipts Distributed by Major Funds: 1971 - 1972
5-10-73

<table>
<thead>
<tr>
<th>Highway Fund (cont'd)</th>
<th>Total 1971-1972</th>
<th>Distribution by Major Funds</th>
<th>Pertinent Provisions</th>
<th>Authority for Dedication</th>
<th>Flow Chart of Disposition</th>
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<td>Name of Fund</td>
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Gasoline Taxes (cont'd)

Seven Cents (0.07¢)

$109,203,667.76

$ 61,675,348.94  General Highway Fund

301,000.00  General Fund-Rev. Dept.

5,932,574.03  Highway Fund-Parishes

in Long Range Highway Fund for payment of certain bonds. Revenues of fund then are transferred to General Highway Fund and used for highway operations; 8) An additional 1¢ is to be paid to Bond Security & Redemption Fund for payment of current principal and interest on highway bonds. Any balance is to be transferred to General Highway Fund for road construction Act 9 of 1968 (Ex. Sess.) authorizes a $300 million dollar highway bond issue payable from Bond Security & Redemption Fund; Acts 9 & 10 of 1968 (Ex. Sess.) provide order of priority for expenditure (a 1¢ increase did not become effective until January 6, 1969).
### Sources of Revenue Receipts Distributed by Major Funds: 1971 - 1972

#### 5-10-73

<table>
<thead>
<tr>
<th>Highway Fund (cont'd)</th>
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<td>Gasoline Taxes</td>
<td>$ 772,307.51</td>
<td>Lake Charles Harbor &amp; Terminal</td>
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<td>Seven Cents (0.07¢)</td>
<td>$ 9,952,510.10</td>
<td>Parishes, Boards, &amp; Municipalities</td>
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<td>$ 6,950,767.78</td>
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<td>One Cent (0.01¢)</td>
<td>$ 15,947,321.25</td>
<td>$ 15,897,321.25</td>
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<td>109,253,667.76</td>
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<td>Lubricating Oil Tax</td>
<td>3,058,706.81</td>
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<td>3,008,706.81</td>
<td>Long Range Highway Art. VI, RS 47:731-745; 47:771-788</td>
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<td>Art. VI, RS 47:744-745</td>
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<td>50,000.00</td>
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1) Maximum of $150,000.00 a year to Dept. of Revenue for cost of collection; 2) Balance of collections to Long Range Highway Fund for construction and maintenance; 3) Any surplus to Long Range Highway Fund.
## Sources of Revenue Receipts Distributed by Major Funds: 1971 - 1972
5-10-73

<table>
<thead>
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<th>Authority for Dedication</th>
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<td>Special Fuels Tax</td>
<td>$ 9,824,475.49</td>
<td>$ -o- $ 9,759,475.49</td>
<td>Long Range Highway</td>
<td>Art. VI, RS 47:783; Art. VI, $22(a); Art. VI, 47:801-815</td>
<td>Art. VI, RS 47:808; 47:815</td>
<td>1) Suppliers may deduct 3% of taxes due as compensation for collection and as allowance for evaporation; 2) Suppliers who operate motor vehicles propelled by special fuels are allowed deduction for fuel used in pumping operations, under certain circumstances, at rate of 1-1/2 gallons per 1,000 gallons of liquefied petroleum gas pumped; 3) $65,000.00 a year withheld by Dept. of Revenue for cost of collection; 4) Balance of collections to Long Range Highway Fund.</td>
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<td>General Fund 65,000.00</td>
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<td>Motor Vehicle Licenses</td>
<td>23,948,348.87</td>
<td>-o- 23,698,348.87</td>
<td>Highway Fund Art. VI, $22</td>
<td>RS 47:451-540; House Con. Res. No. 170 of 1960; Art. VI, $22(a) 6 (g); HCR No. 84 of 1964 as amended by HCR No. 50 of 1968; HCR No. 155 of 1967</td>
<td>RS 47:480-481</td>
<td>1) Maximum of $250,000.00 to Dept. of Revenue for cost of collection; 2) Balance of collections to General Highway Fund and Highway Fund No. 2. Revenues of Highway Fund No. 2 consist of vehicle license collections from 6 parishes surrounding Lake Pontchartrain (Orleans, Jefferson, St.</td>
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Sources of Revenue Receipts Distributed by Major Funds: 1971 - 1972
5-10-73

John the Baptist, St. Charles, Tangipahoa, St. Tammany). Highway Fund No. 2 revenues are dedicated to payment of certain highway bonds. The surplus dedicated in order of priority as follows: (a) $50,000.00 annually to St. Charles Parish and $50,000.00 annually to St. John the Baptist Parish for construction and improvement of roads and drainage; (b) $200,000.00 a year, through 6-30-82, to be paid for highway to connect Lake Pontchartrain with Downman Road (bonds up to $4,000,000.00 authorized); (c) $300,000.00 a year through 6-30-82, to Tangipahoa Parish for improvement of U.S. Highway 51 (bonds up to $6 million authorized); (d) 1/2 of surplus Highway Fund No. 2, after above payments, dedicated for payment of bonds issued by Mississippi River Bridge Authority (payment of bonds authorized by executive agreement between Bridge Authority and
## Sources of Revenue Receipts Distributed by Major Funds: 1971 - 1972

5-10-73

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</table>

**Flow Chart of Disposition**

Highway Department in 1964). Dedication to continue until bonds paid in full; thereafter $100,000.00 annually dedicated to Tangipahoa Parish Police Jury for parish purposes and $150,000.00 annually dedicated to St. Charles-St. John the Baptist Bridge and Ferry Authority to finance bridge and ferry construction. Remainder of 1/2 surplus portion then dedicated to Mississippi River Bridge Authority to pay for principal and interest of any other bonds issued by the authority; (e) Remaining half of surplus to be placed in special reserve fund to supplement revenues of toll bridge across Lake Pontchartrain (The Greater New Orleans Expressway) until revenue bonds issued for project are paid in full. After full payment of bonds, surplus to go to General Highway Fund;

3) Surplus from motor vehicle licenses to go to Long Range Highway Fund.

**TOTAL: Highway Fund**

- $161,982,520.18
- $15,897,321.25
- $146,085,198.93
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<th>Sources of Revenue Receipts Distributed by Major Funds: 1971 - 1972</th>
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<td>Total 1971-1972</td>
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<td>Bond Security and</td>
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<td>$69,504,293.20</td>
<td>$31,600,096.84</td>
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<td>37,904,196.36</td>
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<td>Highway Dept.</td>
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<td>7,346,462.10 Highway Fund</td>
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<td>TOTAL: Receipts Retained</td>
<td>76,850,755.30</td>
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<td>Federal Funds:</td>
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<td>Various Agencies (see Attachment &quot;C&quot;)</td>
<td>362,893,690.31</td>
<td>362,893,690.31</td>
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<tr>
<td>Highway Dept.</td>
<td>112,580,843.63</td>
<td>112,580,843.63 Highway Fund</td>
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<tr>
<td>TOTAL: Federal Funds, Budgeted</td>
<td>475,474,533.94</td>
<td>475,474,533.94</td>
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<td>SALE OF BONDS-BUDGETED</td>
<td>76,745,000.00</td>
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<tr>
<td>TOTAL STATE TAXES, LICENSES, FEES, ETC., Budgeted</td>
<td>$1,915,856,582.02</td>
<td>$369,428,698.36</td>
<td>$1,546,427,783.66</td>
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Used by various agencies for operating expenses.

Used for projects contracted with federal government.
### Sources of Revenue Receipts Distributed by Major Funds: 1971 - 1972

5-10-73

<table>
<thead>
<tr>
<th>Total 1971-1972</th>
<th>Distribution by Major Funds</th>
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<td>Other Funds</td>
<td>Constitutional</td>
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<td>Non-Budget Revenue Receipts:</td>
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<td>Agency Receipts, Non-Budgeted</td>
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<td>57,972,023.92</td>
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<td>(see Attachment &quot;p&quot;)</td>
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<td>Federal Grants, Non-Budgeted</td>
<td>21,143,990.01</td>
<td>21,143,990.01</td>
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<td>(see Attachment &quot;g&quot;)</td>
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</table>

**SUB-TOTAL: STATE TAXES, LICENSES, FEES, ETC., BUDGETED AND NON-BUDGETED**

| 1,996,972,495.95 | 369,428,698.36 | 1,625,543,797.59 | | | |

| Sale of Bonds-Non Budget | 24,768,000.00 | 24,768,000.00 | Capital Improvement Bond Fund | | |
| Transfer of Reserves | 1,371,350.01 | 1,371,350.01 | Highway Fund | | |

**GRAND TOTAL-REVENUE RECEIPTS**

| $2,021,111,845.96 | $369,428,698.36 | $1,651,683,147.60 | | | | |

- Agencies collecting use for various agency purposes
- Used for projects contracted by federal government.
- Bonds authorized and issued through State Bond Commission for specific projects.
- Simply accounting transaction
Sources of Revenue Receipts Distributed by Major Funds: 1971 - 1972
5-10-73

0 Property Tax Relief Fund was declared unconstitutional in *Levy v. Parker*, U.S. District Court, Eastern District of Louisiana, No. 70-243; also repealed by La. Const. of 1921, Art. X-A.

1 See footnote 0. Since abolishment of Property Tax Relief Fund, proceeds from alcoholic beverage tax remaining after dedication number 3, *supra*, flow directly into Bond Security & Redemption Fund.

2 Veterans' bonuses have been paid, and no bonds are outstanding. Veterans Bonus Tax Account is defunct. Proceeds from beer tax and permit fees now flow into Bond Security & Redemption Fund after withholds for expenses of collections.

3 R.S. 47:07, amended 1972, in effect abolished Industrial Development Fund except for municipalities; corporations cannot receive tax credit warrants after July 26, 1972, 12:00 noon.

4 Since 1972, employers no longer are entitled to withhold 3% as compensation. By Act 124 of 1969 there is $1,000,000 dedication to Bond Security & Redemption Fund to support bond servicing of Act 15 of 1969.

5 Since abolishment of Property Tax Relief Fund, proceeds flow directly into Bond Security & Redemption Fund.

6 See footnote 0.

7 Vendors now allowed only 1-1/2% of tax collected.

8 As of May 5, 1973, these bonds have not been issued and possibly may not be issued.

9 Severance taxes collected by Department of Wildlife & Fisheries not included in this listing. See Wildlife & Fisheries Commission, severance taxes, *infra*.

10 9% reduced in 1972.

11 See footnote 12, *infra*.


13 As of July 1, 1972, withholds for expenses go to Alcoholic Beverage Control Board of Department of Public Safety.

14 As of January 1, 1974, Department of Revenue will begin collection of inheritance taxes.

15 As of 1972, dealers may deduct only 3% of 1¢ of gasoline tax for loss in handling, and bonded jobbers may deduct 3% of 4¢.

16 Only $216,500.00 of authorized $300,000.00 bonds has been issued as of May 4, 1973.
The Subcommittee on Revenues Other Than Property Taxes has recommended that the following articles and sections be referred to the Committee on Liaison and Transitional Matters to become statutory law (see attachment): VI, §§2, 22, 23, 25, 26; VI-A; X, §§7, 8, 9, 17, 21 §1 except for last sentence, and 24. As of June 16, 1973, the full committee has concurred on Article X, §§7, 8, 9, 17, and 24 (see attachment).

The Subcommittee on Revenues Other Than Property Taxes has decided to delete from the constitution the following: Article X, §1 1/4 and 5. Article X, §1.1 will become obsolete in the very near future (see attachment).

This report is intended to reflect the present status of the position of the Subcommittee on Revenues Other Than Property Taxes. The articles and sections which have not been acted upon need to be studied by each committee member for the next meeting (see attachment, column headed decisions of committee).
<table>
<thead>
<tr>
<th>Article</th>
<th>Section</th>
<th>Para.</th>
<th>Decision of Committee</th>
<th>Proposal Drafted</th>
<th>Proposal Adopted by Committee</th>
<th>Action Taken By Full Committee</th>
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CC/73 Research Staff
Committee on Revenue, Finance and Taxation
June 16, 1973
Staff Memorandum No. 15

RE: Status Report of Subcommittee on Public Finance

The Subcommittee on Public Finance submits for consideration to the Committee on Revenue, Finance and Taxation the following report:

As of June 16, 1973, the Subcommittee on Public Finance has prepared for submission to the Committee on Revenue, Finance and Taxation a proposal for limitation on incurrence of state debt and for the collection, expenditure, and management of state funds (see attached CC-234). Proposal "CC-234" was distributed to the Committee on Revenue, Finance and Taxation at its June 16 meeting, and the Subcommittee on Public Finance desires action by the Committee on Revenue, Finance and Taxation during its series of meetings beginning on Friday, June 22, 1973.

Proposal "CC-234" covers the subject matter assigned to the Subcommittee on Public Finance which the subcommittee recommends to be included in the new constitution. Also attached is a preliminary report of the Subcommittee on Public Finance which indicates disposition of the various sections of Louisiana Constitution of 1921 which have been assigned to this subcommittee.

Members of the Committee on Revenue, Finance and Taxation are urged to study carefully proposal "CC-234" and the various constitutional sections assigned to this subcommittee as listed in the attached preliminary report, especially those sections covered by proposal "CC-234." An adequate knowledge of this material should expedite action by the Committee on Revenue, Finance and Taxation at its next meeting series.
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Note: Until further study, only "draft needed" is marked.
RE: Status Report of Committee on Revenue, Finance and Taxation

As of June 16, 1973, the Committee on Revenue, Finance and Taxation has taken action on the various sections of the Louisiana Constitution of 1921 assigned for its consideration as shown in the attached preliminary report.

All members of the Committee on Revenue, Finance and Taxation are urged carefully to study the various constitutional sections as listed in the attached preliminary report, especially those sections marked with a plus (+), which indicates coordination with other substantive committee(s) is necessary prior to action by Committee on Revenue, Finance and Taxation and those sections marked with a number sign (#), which indicates action by the Committee on Revenue, Finance and Taxation is needed.

Adequate knowledge of this material hopefully will expedite action by the committee so that the deadline for first proposals to the convention will be met.
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### 1971 Constitution: Disposition of Articles and Sections Assigned To

**The Committee on Revenue, Finance and Taxation**

**Preliminary Report: June 16, 1973**

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RE: This report gives an explanation of Art. 10, §20 of the Louisiana Constitution (1921) concerning tax forfeitures prior to 1880 and their annulment; and its applicability to the present.

Art. 10, §20 Tax forfeitures prior to 1880; annulment.

1. Tax debtor forfeits immovable property to state for nonpayment of taxes due prior to January 1, 1880.

2. State doesn't sell or dispose of same nor has it possessed the tax debtor, or his heirs, successors, or assigns prior to adoption of this constitution, (1921).

3. Forfeiture presumed irregular and null; or that property has been redeemed.

4. By virtue of (3), state and its assigns subsequent hereto shall forever be stopped from setting up any title to such property.

5. Provided, for three years from adoption of constitution (until 1924) the state shall have the right to enforce the payment of any unpaid taxes for the nonpayment of which the property was forfeited to the state.

If the state doesn't sell or dispose of immovable property received by tax debtor as a result of nonpayment of prior--1880 taxes, the forfeiture by the tax debtor, his heirs, successors, or assigns is considered null. The state has until 1924 (three years after adoption of the 1921 Constitution) to enforce the payment of any unpaid taxes for the nonpayment of which the property was forfeited to the state.

One of the main purposes of the constitutional provision, Article X, §20 is the retention by the tax debtor, his heirs, successors, or assigns of their title to immovable property forfeited to the state for nonpayment of prior--1880 taxes, but annulled due to the inaction of the state.

The provision further provides for a three-year prescription period, from the date of the adoption of the constitution (1921), in which the state has to collect the prior--1880 taxes due it.

This provision is currently needed whether in the constitution or revised statutes to insure title to the present heirs, successors, or assigns of the tax debtor, obtained by wills, successions, or assignments currently executed, against any immovable property or taxes claimed by the state because of the nonpayment of prior--1880 taxes by the original tax debtor.

This is an important provision, but it could be included in the revised statutes and not the constitution itself.

Louisiana Constitution (1921) concerning tax forfeitures prior to 1880 and their annulment; and its applicability to the present.

Art. X, §20 Tax forfeitures prior to 1880; annulment.

1. Tax debtor forfeits immovable property to state for nonpayment of taxes due prior to January 1, 1880.

2. A showing that the state doesn't sell or dispose of same nor has it possessed the tax debtor, or his heirs, successors, or assigns prior to adoption of this constitution. (1921)

3. Forfeiture presumed irregular and null; or that property has been redeemed.

4. By virtue of (3), state and its assigns subsequent hereto shall forever be stopped from setting up any title to such property.

5. Provided, for three years from adoption of constitution (until 1924) the state shall have the right to enforce the payment of any unpaid taxes for the nonpayment of which the property was forfeited to the state.

Prior to the adoption of the 1921 Constitution, if the state doesn't sell or dispose of immovable property forfeited or adjudicated to it by tax debtor as a result of nonpayment of prior--1880 taxes, the forfeiture by the tax debtor, his heirs, successors, or assigns is considered null. However, according to the U. S. Court of Appeals decision of Pittman v. Gulf Refining Co. of La., 141 F. 2d 478 (1944) plaintiffs could not invoke presumption that forfeiture of property for nonpayment of taxes prior to 1880 was irregular and null or that property had been redeemed, in absence of showing that the state had not sold or disposed of land or dispossessed tax debtor, his heirs, successors, or assigns prior to adoption of such constitutional provision. The state has until 1924 (three years after adoption of the 1921 Constitution) to enforce the payment of any unpaid taxes for the nonpayment of which the property was forfeited to the state.

One of the main purposes of the constitutional provision, Article X, §20 is the retention by the tax debtor, his heirs, successors, or assigns of their title to immovable property forfeited to the state for nonpayment of prior--1880 taxes, but annulled due to the inaction of the state.

The provision further provides for a three-year prescription period, from the date of the adoption of the constitution (1921), in which the state has to collect the prior--1880 taxes due it.

This provision is currently needed whether in the constitution or revised statutes to ensure title to the present heirs, successors, or assigns of the tax debtor, obtained by wills, successions, or assignments currently executed, against any immovable property or taxes claimed by the state because of the nonpayment of prior--1880 taxes by the original tax debtor.

This is an important provision, but it could be included in the revised statutes and not the constitution itself.
In examining the Louisiana state taxing power on imports
U. S. Supreme Court case is Brown v. Maryland [12 Wheat. 419 (1827)]. The issue in this case was the validity of a Maryland statute re-
quiring "all importers of foreign articles or commodities," prepara-
tory to selling the same, to take out a license. Holding this act to
be void under both U. S. Constitution Article I, Section 10, and
the commerce clause, the court stated,

...(4) that the taxing power of the state does not extend in any form to imports from abroad so long as they remain "the property of the importer, in his warehouse, in the original form or package in which they were imported - the famous original package doctrine"; (5) that once, however, the importer parts with his importations or otherwise mixes them with the general property of the state by breaking up his packages, the law may treat them as part and parcel of such property.

According to Henry Hubbard Foster, professor of law in the State University of Oklahoma, in his Tulane University Law Review
article entitled "What Is Left of the Original Package Doctrine"
1 So. L.Q. 303 (Oct., 1916), "incorporating and mixing up with
the mass of property cannot be taken literally." Dr. Foster continues that "a sale, which produces no physical change, is sufficient to cause a mixture."

As Chief Justice Marshall stated in Brown v. Maryland, "the object of importation is sale; it constitutes the motive for paying duties."

In this light, one can see that the phrase in the Louisiana Constitution Article X, Section 19(a) 1/2, exempting all or a part
of the new material inventory of manufacturers or processors does not refer to a taxable mixture as held by the U. S. Supreme
Court. If this "part of" the new material inventory were sold, it would then be taxable; but until then, while remaining at the
dock, it is exempt.

In May v. New Orleans, 178 U.S. 496, 502, the U. S. Supreme Court held that a box, case, or bale in which separate parcels of
goods have been placed by the foreign seller is regarded as the original package, and upon the opening of such container for the purpose of using the separate parcels, or of exposing them for
sale, each parcel loses its character as an import and becomes subject to taxation as a part of the general mass of property in the state. Thus, these U. S. Supreme Court cases control Article
X, Section 4, Paragraph 19(a)(2)(3) of the Louisiana Constitution exempting tax payments by importers on unopened, original packaged
goods.

The Louisiana Constitution Art. X §4 119(b)(c), dealing with goods in transit is controlled by the U. S. Supreme Court
decision of Reading Railroad v. Pennsylvania (the State Freight Tax Case), 15 Wall. 232 (1873). From this case follows that
states may not tax property in transit in interstate commerce.

A nondiscriminatroy tax, however, is permitted if the goods have not yet started in interstate commerce, or have completed the
interstate transit even though still in the original package, unless they are foreign imports in the original package; and
states may also impose a nondiscriminatory tax when there is a break in an interstate transit, and the goods have not been re-
stored to the current of interstate commerce.

Concerning tax exemption on imports remaining upon the public
property of the port authority or docks of any common carrier
where such imports first entered this state [La. Const. Art. X, §4, 119(a)], the phrase in the Brown case above "in his warehouse"
is used conjunctively with the phrase, "in the original package."
No subsequent case gives any intimation that anything depends on either the storage in or the ownership of a warehouse [State v. Board of Assessors, 15 So. 10 (1894)]. As a matter of fact,
the U. S. Supreme Court decision of Youngstown Co. v. Powers, 358
U.S. 534, 538 (1959) controls holding that the main test for
tax exemption is that the goods have not been put to the use for
which they were imported. Thus, goods that are merely being stored
at the docks, in their original package and for other than present
use, are tax exempt.

The clauses in the Louisiana Constitution providing that "such
property whether entitled to exemption or not shall be reported to
the proper taxing authority on the forms required by law" is sub-
stantive law and, along with any other tax exemptions that the
legislature may deem desirable (for example, tax exemption being
given not only for original packages, but also for packages mixed
with other property); may be passed by the legislature at any time.

As can be seen, Art. X, §4 119, of the Louisiana Constitu-
tion is on all fours with decisions of the U. S. Supreme Court,
and is therefore unnecessarily contained in our constitution and
should be eliminated.

RE: Population and Mean Income by Parish

The attached appendix gives the population and mean income
by parish for the State of Louisiana. The population figures
were for 1972; whereas, the latest figures for mean income
were 1970.

Orleans Parish had the largest population with 606,960
people followed by Jefferson (345,205), East Baton Rouge
(301,730), Caddo (235,393), and Calcasieu (148,704). The
least populated parishes were Cameron (8,379), Red River
(9,435), Caldwell (9,566), Tensas (9,951), and St. Helena
(10,162).

Jefferson Parish had the highest mean income with $11,377
per family or unrelated individuals followed by East Baton
Rouge ($10,162), St. Bernard ($10,319), St. Tammany ($9,950),
and Lafayette ($9,599). The parishes with the lowest mean
income were Tensas ($4,785), St. Helena ($5,434), East Carroll
($5,970), Avoyelles ($5,594), and Franklin ($5,610).
## APPENDIX

### STATE POPULATION AND MEAN INCOME BY PARISH

<table>
<thead>
<tr>
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<th></th>
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</tr>
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<tbody>
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<td>148,704</td>
<td>9,253</td>
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<tr>
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<td>6,428</td>
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<td>12,035</td>
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<td>17,410</td>
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<td>LaSalle</td>
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<td>6,675</td>
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<tr>
<td>Lincoln</td>
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<td>8,204</td>
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<tr>
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<td>8,033</td>
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<td>15,405</td>
<td>6,118</td>
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<tr>
<td>Morehouse</td>
<td>33,197</td>
<td>6,819</td>
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<tr>
<td>Natchitoches</td>
<td>36,816</td>
<td>6,634</td>
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<tr>
<td>Orleans</td>
<td>606,900</td>
<td>9,536</td>
</tr>
<tr>
<td>Ouachita</td>
<td>117,998</td>
<td>8,663</td>
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<tr>
<td>Plaquemines</td>
<td>25,796</td>
<td>9,023</td>
</tr>
<tr>
<td>Pointe Coupee</td>
<td>22,500</td>
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<tr>
<td>Rapides</td>
<td>126,751</td>
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<tr>
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<tr>
<td>Richland</td>
<td>22,267</td>
<td>6,195</td>
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<tr>
<td>Sabine</td>
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<td>6,045</td>
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<tr>
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<td>St. Helena</td>
<td>10,162</td>
<td>5,434</td>
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<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
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<tbody>
<tr>
<td>St. James</td>
<td>20,179</td>
<td>8,260</td>
</tr>
<tr>
<td>St. John the Baptist</td>
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<td>8,332</td>
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<tr>
<td>St. Landry</td>
<td>82,182</td>
<td>6,201</td>
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<tr>
<td>St. Martin</td>
<td>33,187</td>
<td>6,204</td>
</tr>
</tbody>
</table>


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RE: Distribution of House Values in Louisiana by Parish

The attached appendix shows the distribution of house values in Louisiana by parishes which was based on a random sample by the Bureau of the Census conducted in 1970. The appendix shows total number of houses in the random sample by parish and state; the percentage of houses valued at less than $5,000; the percentage of houses valued between $5,000 and $10,000; the percentage of houses valued between $15,000 and $24,999; and the percentage of houses valued at greater than $35,000.

The information in the appendix gives a basis from which the committee may make a decision concerning the homestead exemption. Only four parishes have ten percent or more of their houses valued at greater than $35,000 (East Baton Rouge-101; Jefferson-111; Lafayette-111; Orleans-111). The state average indicated that 2.4 percent of the houses are valued at less than $24,999.

The impact of a homestead exemption on each parish can be evaluated by comparing the value of the homestead exemption with the percentage distribution of house values.
### Distribution of House Values in Louisiana by Parish (1970)

<table>
<thead>
<tr>
<th>Parish</th>
<th>Total No. of Houses</th>
<th>$50,000 and Under</th>
<th>$51,000 to $100,000</th>
<th>$101,000 to $200,000</th>
<th>$201,000 to $300,000</th>
<th>Greater Than $300,000</th>
</tr>
</thead>
<tbody>
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<td>Acadian</td>
<td>8,339</td>
<td>72%</td>
<td>52%</td>
<td>17%</td>
<td>5%</td>
<td>4%</td>
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<tr>
<td>Allen</td>
<td>3,257</td>
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<td>56%</td>
<td>13%</td>
<td>2%</td>
<td>16%</td>
</tr>
<tr>
<td>Ascension</td>
<td>5,197</td>
<td>10%</td>
<td>45%</td>
<td>32%</td>
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<td>Assumption</td>
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<td>Avoyelles</td>
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<td>53%</td>
<td>13%</td>
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<td>4%</td>
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<td>Beauregard</td>
<td>3,130</td>
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<td>51%</td>
<td>39%</td>
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<td>8%</td>
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<tr>
<td>Bienville</td>
<td>2,567</td>
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<td>1%</td>
</tr>
<tr>
<td>Bossier</td>
<td>9,357</td>
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<td>48%</td>
<td>34%</td>
<td>8%</td>
<td>7%</td>
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<td>Caddo</td>
<td>43,635</td>
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<td>8%</td>
<td>6%</td>
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<td>Calcasieu</td>
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<td>5%</td>
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<td>3%</td>
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<td>52%</td>
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<td>14%</td>
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<td>3%</td>
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<td>2%</td>
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<td>3%</td>
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<td>2%</td>
<td>1%</td>
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<td>7%</td>
<td>4%</td>
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</table>

<table>
<thead>
<tr>
<th>Parish</th>
<th>Total No. of Houses</th>
<th>$50,000 and Under</th>
<th>$51,000 to $100,000</th>
<th>$101,000 to $200,000</th>
<th>$201,000 to $300,000</th>
<th>Greater Than $300,000</th>
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<td>2%</td>
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<td>3%</td>
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<td>2%</td>
</tr>
<tr>
<td>St. Landry</td>
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<td>50%</td>
<td>17%</td>
<td>5%</td>
<td>4%</td>
</tr>
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<td>17%</td>
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<td>3%</td>
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<td>6%</td>
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<td>9%</td>
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<td>52%</td>
<td>23%</td>
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<td>4%</td>
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<td>Tensas</td>
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<td>4%</td>
<td>5%</td>
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<td>40%</td>
<td>37%</td>
<td>10%</td>
<td>5%</td>
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<td>52%</td>
<td>17%</td>
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<td>54%</td>
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<td>50%</td>
<td>19%</td>
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<td>Washington</td>
<td>6,540</td>
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<td>55%</td>
<td>21%</td>
<td>5%</td>
<td>3%</td>
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<td>Webster</td>
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<td>57%</td>
<td>21%</td>
<td>4%</td>
<td>3%</td>
</tr>
<tr>
<td>West Baton Rouge</td>
<td>2,421</td>
<td>14%</td>
<td>53%</td>
<td>29%</td>
<td>7%</td>
<td>3%</td>
</tr>
<tr>
<td>West Carroll</td>
<td>1,297</td>
<td>24%</td>
<td>54%</td>
<td>18%</td>
<td>3%</td>
<td>1%</td>
</tr>
<tr>
<td>West Feliciana</td>
<td>475</td>
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<td>38%</td>
<td>37%</td>
<td>7%</td>
<td>3%</td>
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<td>Winn</td>
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<td>31%</td>
<td>56%</td>
<td>9%</td>
<td>2%</td>
<td>2%</td>
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<tr>
<td>State Average</td>
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<td>10%</td>
<td>41%</td>
<td>31.4%</td>
<td>10.5%</td>
<td>7.2%</td>
</tr>
</tbody>
</table>

Source: Detailed Housing Characteristics, Louisiana, 1970
U.S. Department of Commerce
Social and Economic Statistics Administration
Bureau of the Census., pp. 20-157-20-162

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CC/73 Research Staff Committee on Revenue, Finance and Taxation July 13, 1973 Staff Memo No. 21

RE: Property Tax Exemption for Low and Fixed-Income Individuals and Families

I. Introduction

A major criticism of the property tax has been that it places a greater tax burden on individuals and families with low and fixed-incomes than on those with higher incomes. This can be especially true for individuals that retire and suffer a substantial reduction in their income.

Within the past few years, there has been considerable progress by many state governments to provide property tax relief for low and fixed-income individuals and families. The purpose of this memorandum is to provide a brief survey of the methods used by other state governments in providing such a law so that a similar law may be enacted in Louisiana.

II. Types of Property Tax Relief Laws

There are four major kinds of property tax relief laws for low and fixed-income individuals and families. These laws are not to be confused with homestead exemption laws which provide a benefit to all homeowners by exempting a fixed-dollar value of residential property from taxation. The type of property tax relief laws for low and fixed-income individuals and families are:

[633]
1. Circuit Breaker--relates the percentage of property tax relieved on the income of the taxpayer. Most states have sliding scales with a ceiling on income or the amount of relief granted.

2. Absolute Grant--exempts "X" dollars or a fixed percent of assessed value from taxation or subtracts "X" dollars or a fixed percent from the tax bill.

3. Absolute Grant with an Income Requirement--exactly like the type of relief in No. 2 above but is limited to low income individuals and families.

4. Tax Freeze with an Income Requirement--freezes the tax rate at the level prevailing when the taxpayer turns 65 if his income is below a specified level. The senior citizen then pays his taxes at that rate for the duration of his life.

For the state property tax relief laws which have income requirements, all sources of income were included in the definition (state-adjusted gross income or federal-adjusted gross income plus alimony, support money, gross amount of pensions and annuities, interest on government bonds, capital gains, workmen's compensation, and Social Security payments).

The property tax relief may be administered in one of three methods:

1. a state income tax credit
2. a rebate
3. a reduction in the property tax bill

A state income tax credit or a rebate would be utilized if the property tax relief law included relief to renters as well as homeowners.

The circuit-breaker type of relief described above provides a means of giving relief to all homeowners and renters that have low and fixed-incomes. Basically, the law works as follows: The state would determine the amount of property tax that seems to be excessive relative to the taxpayer's income and provides relief for that amount. For example, assume the percentage of tax relieved depends on income according to the following schedule:

<table>
<thead>
<tr>
<th>Total Taxpayer Income</th>
<th>Percent of Tax Relieved</th>
</tr>
</thead>
<tbody>
<tr>
<td>$2,000 to $3,999</td>
<td>100%</td>
</tr>
<tr>
<td>$4,000 to $5,999</td>
<td>75%</td>
</tr>
<tr>
<td>$6,000 to $7,999</td>
<td>50%</td>
</tr>
<tr>
<td>$8,000 to $10,000</td>
<td>25%</td>
</tr>
<tr>
<td>over $10,000</td>
<td>0%</td>
</tr>
</tbody>
</table>

Based on the above table, if a taxpayer earned $7,000 and had a property tax bill of $900, he would either receive: a $100 reduction in state income taxes due, a $100 rebate from the state, or a $100 reduction in his property tax bill.

Where the law includes property tax relief for renters, the relief has to be provided through a state income tax credit or a rebate. The Vermont law defines "Rent constituting property taxes" as 20 percent of the gross rent actually paid during the taxable year.... Therefore, if the taxpayer paid $2,400 a year in rent, his "property tax bill" would be $480. If his income were $7,000, then he would be granted a $240 income tax credit or a $240 rebate from the state.

The greatest advantage to the circuit-breaker type of property tax relief has best been summarized as follows:

"A circuit-breaker system can be an effective alternative to traditional exemption policies in achieving equity. A circuit-breaker is a method of reducing the burden of property taxes for low and fixed-income taxpayers without deteriorating the property tax base. Exceptions, on the other hand, besides eroding the local tax base, also create inequities among those who qualify for them."

III. Comparison of State Laws

The state laws on property tax relief for low and fixed-income individuals and families vary with respect to the following provisions: residence requirements, age limitations, income limitations, amount of property covered, and the maximum or minimum amount of relief. (See Appendix for a detailed description of each state's law.) There were only nine states with no property tax relief laws for the low and fixed-income individuals and families. They were Arizona, Arkansas, Louisiana, Mississippi, Missouri, Nevada, Oklahoma, New Mexico, and Wyoming.

IV. Summary

The above information may be helpful to the committee in making a decision concerning property tax relief for low and fixed-income individuals and families. While the property tax relief law is statutory in nature, the committee may desire to provide Constitutional recognition for such a law.


2 Ibid., p. 4

3 32 V.S.A. §5961 (as amended, 1973).

### SUMMARY OF STATE LAWS ON PROPERTY

<table>
<thead>
<tr>
<th>STATE</th>
<th>TYPE OF RELIEF</th>
<th>RESIDENCY REQUIREMENTS</th>
<th>AGE OF LIMITATION</th>
<th>INCOME LIMITATION</th>
<th>PROVISIONS OF EXEMPTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>ALABAMA</td>
<td>Reduced tax bill</td>
<td>Must be a state resident</td>
<td>65</td>
<td>None</td>
<td>$5,000 assessed value exempted from state ad valorem taxation.</td>
</tr>
<tr>
<td>ALASKA</td>
<td>Rebate</td>
<td>Must be a state resident</td>
<td>65</td>
<td>None</td>
<td>Total assessed value exempted from taxation</td>
</tr>
<tr>
<td>ARIZONA</td>
<td>No relief granted</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ARKANSAS</td>
<td>No relief granted</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CALIFORNIA</td>
<td>Rebate</td>
<td>Must be a state resident</td>
<td>62</td>
<td>$10,000</td>
<td>Relief on first $7,500 assessed value ranges from 95% of tax payee if income is less than $1,000 to 1% of tax payment if income is $10,000.</td>
</tr>
<tr>
<td>COLORADO</td>
<td>Income tax credit or rebate</td>
<td>Must have been a state resident for one year</td>
<td>65</td>
<td>$2400 if single</td>
<td>Relief limited to 50% of the tax payment. The credit or refund is reduced by 10% of income over $500 if single, over $1,200 if married.</td>
</tr>
<tr>
<td>CONNECTICUT</td>
<td>Reduced tax bill</td>
<td>Must have been a resident property owner for prior 5 years</td>
<td>65</td>
<td>$3,000 if single</td>
<td>Freezes property tax at the amount calculated (on value less $1,000) in the first year a taxpayer meets the qualifications except that if the rate is substantially reduced then the reduced rate will apply. Special taxes are prorated.</td>
</tr>
<tr>
<td>DELAWARE</td>
<td>Reduced tax bill</td>
<td>Must have been a resident property owner for prior 3 years</td>
<td>65</td>
<td>$3,000</td>
<td>$5,000 assessed value exempted from taxation</td>
</tr>
<tr>
<td>State</td>
<td>Type of Relief</td>
<td>Residency Requirements</td>
<td>Age Limitation</td>
<td>Income Limitation</td>
<td>Provisions of Exemption</td>
</tr>
<tr>
<td>-------</td>
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<td>------------------------</td>
</tr>
<tr>
<td>Florida</td>
<td>Reduced tax bill</td>
<td>Must have been a state resident for 5 years</td>
<td>65</td>
<td>None</td>
<td>$10,000 assessed value exempted from taxes for current operating expenses</td>
</tr>
<tr>
<td>Georgia</td>
<td>Reduced tax bill</td>
<td>Must be a state resident</td>
<td>65</td>
<td>None</td>
<td>$4,000 assessed value exempted from state and county taxation</td>
</tr>
<tr>
<td>Hawaii</td>
<td>Reduced tax bill</td>
<td>Must be a state resident</td>
<td>60</td>
<td>None</td>
<td>$16,000 assessed value exempted from taxation</td>
</tr>
<tr>
<td>Idaho</td>
<td>Reduced tax bill</td>
<td>Must have been a resident property owner for 10 years</td>
<td>65</td>
<td>$75</td>
<td>First $75 in taxes is relieved</td>
</tr>
<tr>
<td>Illinois</td>
<td>Reduced tax bill</td>
<td>Must have been a resident property owner for 1 year</td>
<td>65</td>
<td>None</td>
<td>$1,500 reduction in equalized assessed valuation</td>
</tr>
<tr>
<td>Indiana</td>
<td>Reduced tax bill</td>
<td>Must have been a resident property owner for 1 year</td>
<td>65</td>
<td>None</td>
<td>Total homestead exemption (value of property may not exceed $6,500)</td>
</tr>
<tr>
<td>Iowa</td>
<td>Reduced tax bill</td>
<td>Must have been a resident property owner for 1 year</td>
<td>65</td>
<td>None</td>
<td>$2,500 assessed value exempted from taxation</td>
</tr>
</tbody>
</table>

[636]
<table>
<thead>
<tr>
<th>STATE</th>
<th>TYPE OF RELIEF</th>
<th>RESIDENCY REQUIREMENTS</th>
<th>AGE LIMITATION</th>
<th>INCOME LIMITATION</th>
<th>PROVISIONS OF EXEMPTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>KANSAS</td>
<td>Income tax credit</td>
<td>Must have been domiciled in the state for prior year</td>
<td>65</td>
<td>$6,000</td>
<td>A percentage of tax bi-relieved according to how much property tax exceed a percentage of income, both percentage depending on income: 100% relief of taxes in excess of 11% of $5,500 - $6,000.</td>
</tr>
<tr>
<td>KENTUCKY</td>
<td>Reduced tax bill</td>
<td></td>
<td>65</td>
<td>None</td>
<td>$6,500 assessed valuation exempted from taxation.</td>
</tr>
<tr>
<td>LOUISIANA</td>
<td>No relief granted</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>MAINE</td>
<td>Grant</td>
<td>Must have been domiciled in the state for prior year</td>
<td>65 for males; 62 for females</td>
<td>35% of income limited to claimant &amp; not exceed $4,000</td>
<td>Relief equals 7% of difference between $4,000 and income less than that.</td>
</tr>
<tr>
<td>MARYLAND</td>
<td>Reduced tax bill</td>
<td></td>
<td>65</td>
<td>$5,000</td>
<td>Relief equals 50% of assessed valuation or $4,000, whichever is less. Applies against county property taxes only.</td>
</tr>
<tr>
<td>MASSACHUSETTS</td>
<td>Reduced tax bill</td>
<td>Must have been domiciled in the state for the prior 10 years and a property owner for prior 5 years</td>
<td>70</td>
<td>$6,000 if single; $7,000 if married</td>
<td>Amount of exemption is $525 for the 18-month fiscal year which began January 1, 1973</td>
</tr>
<tr>
<td>STATE</td>
<td>TYPE OF RELIEF</td>
<td>RESIDENCY REQUIREMENTS</td>
<td>AGE LIMITATION</td>
<td>INCOME LIMITATION</td>
<td>PROVISIONS OF EXEMPTION</td>
</tr>
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<td>----------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>MICHIGAN</td>
<td>Reduced tax bill</td>
<td>Must have been a state resident for 5 out of last 10 years</td>
<td>65</td>
<td>$6,000</td>
<td>$2,500 assessed value is exempted from taxation.</td>
</tr>
<tr>
<td>MINNESOTA</td>
<td>Income tax credit or rebate</td>
<td>Must be a state resident</td>
<td>65</td>
<td>$5,000</td>
<td>A percentage of property tax is relieved depending on income: 90-100% on an income of $0-$1,000 to 10-20% on an income of $4,500-$5,000.</td>
</tr>
<tr>
<td>MISSISSIPPI</td>
<td>No relief granted</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>MISSOURI</td>
<td>No relief granted</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>MONTANA</td>
<td>Reduced tax bill</td>
<td></td>
<td>62 for widows</td>
<td>$4,000 if single</td>
<td>Property is taxed at 15% of the assessed value</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>65 for widows</td>
<td>$5,200 if married</td>
<td></td>
</tr>
<tr>
<td>NEBRASKA</td>
<td>Reduced tax bill</td>
<td></td>
<td>70</td>
<td>None</td>
<td>Limited homestead exemption of 50% of first $1,500. Assessed valuation for veterans only.</td>
</tr>
<tr>
<td>NEVADA</td>
<td>No relief given</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>NEW HAMPSHIRE</td>
<td>Reduced tax bill</td>
<td>Must have been a state resident for prior 5 years</td>
<td>70</td>
<td>$4,000 if single</td>
<td>$5,000 assessed value is exempted from taxation.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$5,000 if married</td>
<td></td>
</tr>
<tr>
<td>STATE</td>
<td>TYPE OF RELIEF</td>
<td>RESIDENCY REQUIREMENTS</td>
<td>AGE OF LIMITATION</td>
<td>INCOME LIMITATION</td>
<td>PROVISIONS OF EXEMPTION</td>
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</tr>
<tr>
<td>NEW JERSEY</td>
<td>Reduced tax bill</td>
<td>Must have been a state resident for 1 year</td>
<td>65</td>
<td>$5,000</td>
<td>Taxes are reduced by $160 unless taxes due are less.</td>
</tr>
<tr>
<td>NEW MEXICO</td>
<td>No relief granted</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>NEW YORK</td>
<td>Reduced tax bill</td>
<td>Must have owned residence for prior 5 years</td>
<td>65</td>
<td>$3,000-$6,000</td>
<td>Authorities of local government authorized to enact laws allowing up to 50% of the value of claimant's residence to be exempted from taxation.</td>
</tr>
<tr>
<td>NORTH CAROLINA</td>
<td>Reduced tax bill</td>
<td>Must reside on property at least 6 months out of the year</td>
<td>65</td>
<td>$3,500</td>
<td>$5,000 appraised value not taxed.</td>
</tr>
<tr>
<td>NORTH DAKOTA</td>
<td>Reduced tax bill</td>
<td></td>
<td>65</td>
<td>$3,500</td>
<td>50% deduction of assessed value up to $1,000.</td>
</tr>
<tr>
<td>OHIO</td>
<td>Reduced tax bill</td>
<td>Must be domiciled in state</td>
<td>65</td>
<td>$8,000</td>
<td>Reduction of taxable value according to income: $5,000 or 70% (whichever is less) for income less than $2,000 to $2,000 or 40% (whichever is less) for incomes between $6,000 and $3,000.</td>
</tr>
<tr>
<td>OKLAHOMA</td>
<td>No relief granted</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>STATE</td>
<td>TYPE OF RELIEF</td>
<td>RESIDENCY REQUIREMENTS</td>
<td>AGE LIMITATIONS</td>
<td>INCOME LIMITATIONS</td>
<td>PROVISIONS OF EXEMPTION</td>
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</tr>
<tr>
<td>OREGON</td>
<td>Reduced tax bill</td>
<td>Must be state resident for tax period</td>
<td>None</td>
<td>None</td>
<td>Relief is based on th</td>
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<td>amount by which taxes</td>
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<td>exceed a percentage of</td>
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<td></td>
<td>the income: 3% on in-</td>
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<td></td>
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<td>come up to $1,500 to</td>
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<td></td>
<td></td>
<td>7% on income over $20</td>
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<td></td>
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<td></td>
<td></td>
<td>Relief is $105 greater</td>
</tr>
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<td></td>
<td>if the claimant is ov</td>
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<tr>
<td></td>
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<td></td>
<td></td>
<td></td>
<td>er 80.</td>
</tr>
<tr>
<td>PENNSYLVANIA</td>
<td>Rebate</td>
<td></td>
<td>65/50 for</td>
<td>$7,500</td>
<td>Percentage of property</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>widows</td>
<td></td>
<td>taxes allowed as re-</td>
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<td></td>
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<td>lief depends on in-</td>
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<td></td>
<td></td>
<td>come: 10% for incomes</td>
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<td></td>
<td>under $11 to 10% for</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>incomes between $6,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>- $7,499.</td>
</tr>
<tr>
<td>RHODE ISLAND</td>
<td>Varies locally</td>
<td>Varies locally</td>
<td>65</td>
<td>$4,000</td>
<td>Property tax exemp-</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>for tax freeze</td>
<td>tions is authorized by</td>
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<td>state law, but provi-</td>
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<td>sions are approved by</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td>the local electorate-</td>
</tr>
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<td></td>
<td>in various ways. The</td>
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<td>tax freeze is author-</td>
</tr>
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<td>ized only for claim-</td>
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<td></td>
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<td></td>
<td>ants with incomes less</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>than $4,000.</td>
</tr>
<tr>
<td>SOUTH CAROLINA</td>
<td>Reduced tax bill</td>
<td></td>
<td>65</td>
<td>$4,800</td>
<td>$5,000 fair value ex-</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>empted from county,</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td>school, and special</td>
</tr>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>assessment property</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>taxes.</td>
</tr>
<tr>
<td>SOUTH DAKOTA</td>
<td>Reduced tax bill</td>
<td></td>
<td>65</td>
<td>None</td>
<td>$1,000 assessed value</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>of real estate exempt</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>from taxation.</td>
</tr>
<tr>
<td>STATE</td>
<td>TYPE OF RELIEF</td>
<td>RESIDENCY REQUIREMENTS</td>
<td>AGE LIMITATIONS</td>
<td>INCOME LIMITATIONS</td>
<td>PROVISIONS OF EXEMPTION</td>
</tr>
<tr>
<td>------------</td>
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<td>----------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>TENNESSEE</td>
<td>Tax refund</td>
<td>Must be a resident property owner for 1 year</td>
<td>65</td>
<td>$4,800</td>
<td>Refund to every taxpayer 65 years of age or over, whose annual income does not exceed $4,800.</td>
</tr>
<tr>
<td>TEXAS</td>
<td>Reduced ad valorem tax on property being used for benefit of the elderly</td>
<td>62</td>
<td>$2,500 if single $3,000 if married</td>
<td>An exemption is provided for property used to benefit certain non-profit corporations organize to provide homes for the elderly.</td>
<td></td>
</tr>
<tr>
<td>UTAH</td>
<td>Abatement</td>
<td>65</td>
<td>$2,500 if single $3,000 if married</td>
<td>Abatement of up to $5 or one-half of the total property tax, whichever is less.</td>
<td></td>
</tr>
<tr>
<td>VERMONT</td>
<td>Income tax credit or rebate</td>
<td>Must have been domiciled in the state for prior year</td>
<td>65</td>
<td>$4,286</td>
<td>Tax payment in excess of 7% of claimants income times a local rate factor is relief</td>
</tr>
<tr>
<td>VIRGINIA</td>
<td>Reduced tax bill</td>
<td>65</td>
<td>$1,500</td>
<td>Homestead exemption deferrals are provided for by the counties, cities and towns in various ways.</td>
<td></td>
</tr>
<tr>
<td>WASHINGTON</td>
<td>Reduced tax bill</td>
<td>Must have occupied home for prior 2 years and been a state resident for prior 3 years</td>
<td>62</td>
<td>$6,000</td>
<td>Percentage of excess levies exempted depending on income: 100% for incomes less than $4,000, 50% for incomes between $4,000---$6,000.</td>
</tr>
<tr>
<td>STATE</td>
<td>TYPE OF RELIEF</td>
<td>RESIDENCY REQUIREMENTS</td>
<td>AGE LIMITATION</td>
<td>INCOME LIMITATION</td>
<td>PROVISIONS OF EXEMPTION</td>
</tr>
<tr>
<td>---------------</td>
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<td>---------------------------------------------</td>
<td>----------------</td>
<td>------------------</td>
<td>------------------------------------------------------------</td>
</tr>
<tr>
<td>WEST VIRGINIA</td>
<td>Reduced tax bill</td>
<td></td>
<td>65</td>
<td>$15,000</td>
<td>Basic circuit breaker legislation to take effect July 1, 1973.</td>
</tr>
<tr>
<td>WISCONSIN</td>
<td>Income tax credit or rebate</td>
<td>Must have been a state resident for prior year</td>
<td>62/60 for totally and permanently disabled persons</td>
<td>$5,000</td>
<td>Formula provides for a diminishing credit as income rises.</td>
</tr>
<tr>
<td>WYOMING</td>
<td>No relief granted</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Commerce Clearing House: State Tax Reporter

State-Local Finances: Significant Features and Suggested Legislation

(ACIR, 1972)
Constitutional and statutory provisions of California relative to the limitation of one percent of actual value on property taxes.

Article XIII, Section 1 of the California Constitution provides that all property in the state unless it is otherwise exempt shall be taxed in proportion to its value as provided by law.

Section 401 of the California Revenue and Taxation Code provides that every assessor shall assess all property subject to general property taxation at twenty-five percent of its full cash value.

There is no provision in the laws or constitution of California that provides for a limitation of one percent of actual cash value on property taxes.

Distribution of Population by Age in Louisiana

The population in Louisiana was 3,641,306 according to the 1970 census. Table II shows the distribution of the 1970 population by age. It was considered significant that 31.76 percent of the population in Louisiana was under 14 years of age. Furthermore, 72.99 percent of the population was under 45 years of age and only 8.42 percent of the population was over 65 years of age.

Table II
Distribution of Population in Louisiana by Age, 1970

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Total Population</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under 14</td>
<td>1,156,420</td>
<td>31.76</td>
</tr>
<tr>
<td>15 - 24</td>
<td>675,248</td>
<td>18.54</td>
</tr>
<tr>
<td>25 - 44</td>
<td>826,035</td>
<td>22.69</td>
</tr>
<tr>
<td>45 - 64</td>
<td>676,078</td>
<td>18.59</td>
</tr>
<tr>
<td>Over 65</td>
<td>306,725</td>
<td>8.42</td>
</tr>
</tbody>
</table>


The significance of growth and distribution of population on the future financial needs of the state and local governments has been summarized as follows:

"More babies are being born, and more are surviving infancy and early childhood. This leads to increased needs for maternal and public health clinics, and for more elementary and secondary schools. In addition, people are demanding more expensive services from their public schools - such as buses, lunchrooms, gyms, auditoriums, foreign language and other specialized instruction, vocational education, special classes for the gifted, the mentally and physically handicapped, and special school services for poverty-stricken children. More and more communities are providing post-high-school..."
education in junior and four-year community colleges. 3

Louisiana's state and local governments will have to meet many of the needs which were mentioned in the above quote since a large percentage of its population was under 15 years of age.

Conclusion

Louisiana has a significant level of its population living in poverty (21.5 percent of the state family population). Also, a significant percent of the population (31.76 percent) is under 15 years of age.

In all probability these two factors will result in additional financial burden on state and local governments. Therefore, it is of great importance that a sound tax structure exist to finance the future needs of the state.


APPENDIX I

Percent of Families Living in Poverty in Louisiana by Parish, 1970

<table>
<thead>
<tr>
<th>Parish</th>
<th>Percent of Families Below Poverty Level</th>
<th>Rank by Highest Percent</th>
</tr>
</thead>
<tbody>
<tr>
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APPENDIX I (cont.)

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<th>Parish</th>
<th>Percent of Families Below Poverty Level</th>
<th>Rank by Highest Percent</th>
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<td>Vernon</td>
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<td>Webster</td>
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<td>West Carroll</td>
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<td>Winn</td>
<td>31.0</td>
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</table>

[644]
RE: The Relationship between the Percentage of Families Living in Poverty and the Dollar Value of Industrial Exemptions by Parish

The attached appendix shows by parish the percentage of families living in poverty and the dollar value of industrial exemptions in Louisiana. There was reason to believe some degree of association existed between the level of poverty and the amount of industrialization in a parish. Therefore, the hypothesis was: the lower the percentage of poverty in a parish, the higher the dollar value of industrial exemptions.

The comparison of the percentage of families living in poverty and the dollar value of industrial exemptions gives little indication of any relationship existing between the two variables. For example, Jefferson and St. Bernard have the lowest poverty levels (8.5%) whereas industrial exemptions were $265,000,000 and $97,000,000 respectively. Neither of these two parishes was among the five parishes with the highest dollar value of industrial exemptions. Table 1 shows the five parishes with the highest dollar value of industrial exemptions and the rank of the percentage of families living in poverty for those parishes. Of these five parishes, East Baton Rouge had the lowest level of poverty (11.6%) whereas West Feliciana had the highest (38.4%).

The Five Parishes with the Highest Dollar Value of Industrial Exemptions

<table>
<thead>
<tr>
<th>Parish</th>
<th>Percent of Families Living in Poverty</th>
<th>Rank of Percent of Families Living in Poverty</th>
<th>Dollar Value of Industrial Exemptions</th>
</tr>
</thead>
<tbody>
<tr>
<td>St. Charles</td>
<td>16.1%</td>
<td>7</td>
<td>$917,000,000</td>
</tr>
<tr>
<td>Ascension</td>
<td>22.2%</td>
<td>24</td>
<td>899,000,000</td>
</tr>
<tr>
<td>East Baton Rouge</td>
<td>13.6%</td>
<td>3</td>
<td>768,000,000</td>
</tr>
<tr>
<td>West Feliciana</td>
<td>38.4%</td>
<td>57</td>
<td>756,000,000</td>
</tr>
<tr>
<td>Iberville</td>
<td>30.3%</td>
<td>38</td>
<td>556,000,000</td>
</tr>
</tbody>
</table>

Source: Appendix I

Simple correlation analysis was used to determine the degree of association between the percent of families living in poverty and the dollar value of industrial exemptions. The result was a correlation coefficient of minus .30 for these two variables.

The correlation coefficient may be judged in the following manner:

1 (1) If the coefficient is .90 or higher, a very high correlation exists.
   (2) If a coefficient is between .80 and .90, a good correlation is said to exist.
   (3) A coefficient between .60 and .80 indicates a degree of correlation.


(4) A coefficient between .30 and .60 indicates some possibility of correlation.
(5) A coefficient below .30 indicates no probable association between the variables, and therefore, no correlation may be assumed.

The negative sign indicates an inverse relationship between the two variables. Therefore, as the percent of families living in poverty increased by parish, the dollar value of industrial exemptions increased by parish.

The above analysis indicated no degree of association existed by parish between the percent of families living in poverty and the dollar value of industrial exemptions. The correlation coefficient (.30) was too low.

However, there are several weaknesses of the above analysis. The conclusion does not mean that industrial development does not help increase the well-being of a parish. The dollar value of industrial exemption may be a poor indicator of the degree of industrialization occurring in a parish; therefore, little correlation existed between the two variables. Also, highly industrialized parishes may have a high level of unemployment which would increase the percentage of families living in poverty.

-3-
## APPENDIX

Relationship of Percent of Families Living in Poverty and Dollar Value of Industrial Exemptions by Parish, 1970

<table>
<thead>
<tr>
<th>PARISH</th>
<th>Percent of Families Living in Poverty(^1)</th>
<th>Dollar Value of Exempt Mfg. Plants under 10-year Contract (Millions)(^2)</th>
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<td>Dollar Value of Exempt Mfg. Plants under 10-year Contract (Millions)</td>
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<td>--------------------------------------</td>
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1 General Social and Economic Characteristics, Louisiana, 1970  
U. S. Department of Commerce  

Arguments for and against the exemption of Business Inventories from Taxation.

The taxation of business personal property has been the subject of considerable debate in recent years. The purpose of this report is to present the basic arguments for and against the exemption of business inventories from taxation.

Arguments For the Exception of Business Inventories

The arguments for the exemption of business inventories from taxation have been summarized as follows:

1. Inventories are impossible of precise appraisal by an assessor, and book values vary in meaning from one set of accounts to another.  
2. The nature of business varies from one to the other. Movable goods turn over at varying rates and some may increase or decrease in value through mere storage.  
3. Certain-day taxation of inventories can mean that much of it may escape taxation entirely, while the average-amount-on-hand-during-the-year method increases taxpayer compliance costs and may work out inequitably with seasonal businesses.  
4. The manufacturer-taxpayer cannot escape the tax as many others do. To the extent that this is true the tax is discriminatory.  
5. When one state exempts inventories and another does not, the image of the nation as a single market is blurred.  
6. If a state does not tax intangibles, such as accounts receivable, but does tax inventories, it is merely "taxing by labels," for inventories of goods to be sold are embryonic accounts receivable.  
7. There is very little relationship between the size of inventories of businesses and profitability of businesses. Therefore, the tax cannot be levied uniformly.  
8. The exemption of inventories may be a factor considered by businesses in deciding to locate new manufacturing plants.

The Advisory Commission on Intergovernmental Relations has made the following recommendation concerning the exemption of business inventories:

The commission is aware that retention or repeal of the tax on business personal property is a policy issue the State alone can resolve in full awareness of its own local circumstances. However, the commission believes that in framing their business tax policies, States should give a high priority to eliminating or perfecting the locally administered tax on business personal property because it discriminates erratically among business firms. Therefore, the commission recommends that States eliminate the tax on business inventories and either move the administration of the tax on other classes of business property (notably machinery and equipment) to the State level or provide strong State supervision over the administration of the tax to insure uniformity. It recommends further that States reimburse local governments for the attendant loss in revenue by making more intensive use of State imposed business taxes.

Arguments Against the Exception of Business Inventories

The arguments against the exemption of business inventories from taxation have been summarized as follows:

1. The greater the inventory the greater the taxpayer's need for police and fire protection. The tax is justified according to the benefits-received principle of taxation.  
2. Inventories represent a significant percentage of the wealth of business and therefore provide a productive source of revenue for local governments.  
3. The inclusion of inventories provides a broader tax base for local governments, which increases their tax revenues and thus increases their borrowing power.

The above arguments for and against the exemption of business inventories from taxation should be evaluated carefully, since inventory taxation may be a very important source of revenue for local governments. John F. Due, an authority on public finance, has stated that:

The use of taxes on business, per se (more commonly, on corporate business), as distinguished from application of income taxes to businesses as well as individuals, is justified on the grounds that business firms have taxing capacity distinct from their owners. The argument is based upon the philosophy that modern businesses, especially large-scale ones, have control over extensive assets and are controlled by persons other than the owners (the professional managers). Accordingly, they are considered to be taxable entities and can justifiably be regarded as taxbearers themselves, without respect to the individuals who own them or are otherwise involved with them.

Taxation of Inventories in Louisiana

The attached appendix gives the law in Louisiana on the taxation of inventories. If the inventory tax is maintained, some feel there is a need to make some changes in the tax law in order to remove some of the inequities which were stated in the arguments for the exemption of inventories from taxation.

FOOTNOTES

NOTES


CC/73 Research Staff
Committee on Revenue, Finance and Taxation
September 6, 1973
Staff Memorandum No. 26

RE: Multi-Parish Taxing Districts in Louisiana as of 1971

In 1971 there were 24 multi-parish taxing districts in Louisiana. Appendix I lists each district, constitutional or statutory citation, and the number of mills each is authorized to levy. However, all of these districts did not levy taxes in 1971.

Appendix II shows the seven taxing districts which levied taxes in 1971 and the assessed value, millage, taxes collected, and bonded indebtedness of each district.

The only way uniformity of property taxation can be achieved in each district is through uniform assessment ratios. Property in the same class must be assessed at the same ratio in order to have uniformity with a particular taxing district.

No attempt was made to determine if uniformity of property taxation existed in the above districts because of the assessment ratios of each parish were not available.

APPENDIX I

LOUISIANA MULTI-PARISH TAXING DISTRICTS (1971)

(Includes districts where tax is authorized by constitution or statute whether or not tax is levied)

1. South La. Health Services District
   R.S. 28: 241 et seq.
   Parishes of Lafayette, Vermilion, Iberia, and St. Martin
   Authorized 5 mills

2. La. Coastal Commission
   R.S. 34: 2251 et seq.
   Parishes of Acadia, Calcasieu, Cameron, Iberia, Jefferson
   Davis, Lafayette, Lafourche, St. Landry, St. Martin, St. Mary, Terrebonne, and Vermilion.
   Authorized 13.6 mills

3. Red River Waterway District
   R.S. 34: 2301 et seq.
   Parishes of Awayneles, Rapides, Natchitoches, Red River,
   Grant, Bossier, and Caddo
   Authorized 2 mills

4. Jackson-Bienville Parishes Dugdemona Watershed District
   R.S. 38: 3000 et seq.
   Portions of the parishes of Jackson and Bienville
   Authorized 1 mill

5. Acadia-St. Landry (Hospital Service Districts)
   R.S. 46: 1051 et seq.
   Parishes of Acadia and St. Landry
   Authorized 5 mills

6. St. Landry-St. Martin (Hospital Service Districts)
   R.S. 46: 1051 et seq.
   Parishes of Acadia and St. Landry
   Authorized 5 mills

7. Acadiana-Evangeline Fire Protection Commission
   Authorized 1 mill

8. Teche-Vermilion Fresh Water District
   Parishes of Iberia, Lafayette, Vermillon, and St. Martin
   Authorized 1 1/2 mills

9. St. Landry-St. Martin Sub-I Drainage District
   Authorized 5 mills

10. Tensas Basin Levee District
    Parishes of Morehouse, West Carroll, Richland, Franklin,
    Catahoula, La Salle, and portions of Ouachita and
    Caldwell
    Authorized 5 mills

11. Fifth La. Levee District
    Parishes of East Carroll, Madison, Tensas, and Concordia
    Authorized 5 mills

12. Atchafalaya Basin Levee District
    Parishes of Pointe Coupee, West Baton Rouge, Terrebonne,
    and portions of Iberville, Ascension, Assumption,
    Lafourche, St. Martin, St. Mary, Iberia, and St. Landry.
    Authorized 5 mills

13. Pontchartrain Levee District
    Portions of the parishes of East Baton Rouge, Iberville,
    Ascension, St. James, St. John, St. Charles, and
    Jefferson
    Authorized 5 mills

14. Lafourche Basin Levee District
    Portions of the parishes of Ascension, Assumption, St. James,
    Authorized 5 mills

15. Red River-Bayou Pierre Levee and Drainage District
    Portions of the parishes of Red River and DeSoto.
    Authorized 5 mills

16. Nineteenth La. Levee District
    Portions of the parishes of Grant and Red River.
    Authorized 5 mills

17. Red River, Atchafalaya, and Bayou Boeuf Levee District
    Portions of the parishes of Rapides, Awayneles, and St. Landry
    Authorized 5 mills

18. Bayou Lafourche Fresh Water District
    Portions of the parishes of Ascension, Assumption, and Lafourche,
    specifically, 4200 feet either side of the center line of
    Bayou Lafourche from the Mississippi River to the Gulf of
    Mexico.
    Authorized 5 mills for any one purpose and maximum of 25 mills
    for all purposes

19. Caddo-Bossier Parishes Port Commission
    Article 6 §32
    Parishes of Caddo and Bossier.
    Authorized 2 1/2 mills

20. Francis T. Nicholls State College at Thibodaux
    Article 10 §23
    Parishes of Assumption, Lafourche, St. Mary, Terrebonne, and
    those portions of the parishes of Ascension, St. Charles,
    St. James, and St. John the Baptist situated on the west
    bank of the Mississippi River.
    Authorized 1 mill

21. Livingston-Tangipahoa Parishes Port Commission
    R.S. 34:1951 et seq.
    Parish of Livingston and a portion of the parish of Tangipahoa.
    Authorized 2 1/2 mills for administrative, operative, and
    maintenance expenses. Authorized taxes "without limitation
    as to rate or amount" to fund bonds for capital outlay

22. Red River Navigation District
    Parishes of Caddo and Bossier.
    Authorized 1 mill

23. South La. Tidal Water Control Levee District
    R.S. 38:1051 et seq.

24. Recreational Facilities District
    R.S. 33:4571 et seq.
    Authorized 10 mills

Navigation Districts

[649]
APPENDIX II
LOUISIANA MULTI-PARISH TAXING AUTHORITIES WHICH ACTUALLY LEVIED TAXES IN 1971

<table>
<thead>
<tr>
<th>Name</th>
<th>1971 Assessment</th>
<th>Millage</th>
<th>Collections</th>
<th>Bonded</th>
<th>Indebtedness</th>
</tr>
</thead>
<tbody>
<tr>
<td>Atchafalaya Basin Levee District</td>
<td>$304,563,760</td>
<td>2.50</td>
<td>$761,409.40</td>
<td>$138,000</td>
<td></td>
</tr>
<tr>
<td>Fifth Louisiana Levee District</td>
<td>70,308,233</td>
<td>3.00</td>
<td>210,924.70</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Pontchartrain Levee District</td>
<td>339,693,360</td>
<td>4.00</td>
<td>1,358,773.44</td>
<td>8,107,000</td>
<td></td>
</tr>
<tr>
<td>Red River, Atchafalaya &amp; Bayou Boeuf Levee District</td>
<td>96,227,160</td>
<td>5.00</td>
<td>481,135.80</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Red River &amp; Bayou Pierre Levee District</td>
<td>3,354,658</td>
<td>5.00</td>
<td>16,773.29</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Tensas Basin Levee District</td>
<td>212,682,280</td>
<td>2.00</td>
<td>425,364.56</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Bayou Lafourche Fresh Water District</td>
<td>120,797,906</td>
<td>2.25</td>
<td>271,795.29</td>
<td>71,000</td>
<td></td>
</tr>
</tbody>
</table>

| Total                                          |                 |         | $3,526,176.48 | $8,316,000 |

Source: Legislative Council, 1971
RE: Clarification of disposition of various sections of Louisiana Constitution of 1921 assigned to Committee on Revenue, Finance and Taxation

The Committee on Revenue, Finance and Taxation for the record needs to clarify the disposition of the following sections of Louisiana Constitution of 1921:

<table>
<thead>
<tr>
<th>ARTICLE</th>
<th>SECTION</th>
<th>PARAGRAPHS</th>
</tr>
</thead>
<tbody>
<tr>
<td>IV</td>
<td>3</td>
<td>10,15,17</td>
</tr>
<tr>
<td>IV</td>
<td>4</td>
<td>22</td>
</tr>
<tr>
<td>VI</td>
<td>16</td>
<td>23.1</td>
</tr>
<tr>
<td>VI</td>
<td>22(g)</td>
<td>25</td>
</tr>
<tr>
<td>VI</td>
<td>25</td>
<td>8,9-12</td>
</tr>
<tr>
<td>X</td>
<td>1</td>
<td>10</td>
</tr>
<tr>
<td>X</td>
<td>2</td>
<td>10(A)</td>
</tr>
<tr>
<td>X</td>
<td>5</td>
<td>10(B)</td>
</tr>
<tr>
<td>X</td>
<td>6</td>
<td>11</td>
</tr>
</tbody>
</table>

NOTE: Actually, Committee on Revenue, Finance and Taxation already has acted upon the above sections by implication as a result of the adoption of Committee Proposal 15 (CC-1076) and Committee Proposal 26 (CC-1282). However, for the record definitive action should be taken section by section.

NOTES
Staff Memo No. 28 is not found in the files of the Committee. It is identified as the amendments to C. P. No. 15 and C. P. No. 26.

RE: State Taxation or Exemption of Stocks and Bonds

Appendix I shows the state tax status of stocks and bonds by states for 1973. Twenty-three states exempt both stocks and bonds from state taxation (column 1). Seven of these states allowed local governments to levy a local property tax on stocks (Alabama, Georgia, Illinois, Indiana, Nevada, North Carolina, and Pennsylvania).

Eighteen states exempt neither stocks or bonds from state taxation (column 2). Two of these states (Minnesota and Missouri) allowed local governments to levy a local property tax on stocks.

Nine states exempt either stocks or bonds (column 3). Two of these states (Florida and Michigan) allowed local governments to levy a local property tax on stocks.
## APPENDIX I

State Taxation or Exemption of Stocks and Bonds
By State, 1973

<table>
<thead>
<tr>
<th>Exempts Both Stocks and Bonds</th>
<th>Exempts Neither Stocks nor Bonds</th>
<th>Exempts Either Stocks or Bonds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alabama ¹(Stat.)</td>
<td>Alaska (Stat.)</td>
<td>Connecticut (Stat.) (Stock)</td>
</tr>
<tr>
<td>California (Const. &amp; Stat.)</td>
<td>Arizona (Const. &amp; Stat.)</td>
<td>Florida ¹(Stat.) (Bonds)</td>
</tr>
<tr>
<td>Colorado (Const.)</td>
<td>Arkansas (Stat.)</td>
<td>Maryland (Stat.) (Stock)</td>
</tr>
<tr>
<td>Delaware (Stat.)</td>
<td>Hawaii (Stat.)</td>
<td>Massachusetts (Stat.) (Stock)</td>
</tr>
<tr>
<td>Georgia ¹(Stat.)</td>
<td>Idaho (Stat.)</td>
<td>Michigan ¹(Stat.) (Stock)</td>
</tr>
<tr>
<td>Illinois ¹(Const.)</td>
<td>Kentucky (Const. &amp; Stat.)</td>
<td>Montana (Const.) (Stock)</td>
</tr>
<tr>
<td>Indiana ¹(Stat.)</td>
<td>Louisiana (Stat.)</td>
<td>New Hampshire (Const. &amp; Stat.) (Stock)</td>
</tr>
<tr>
<td>Iowa (Stat.)</td>
<td>Minnesota ¹(Stat.)</td>
<td>South Dakota (Stat.) (Bonds)</td>
</tr>
<tr>
<td>Kansas (Stat.)</td>
<td>Missouri ¹(Stat.)</td>
<td>Wyoming (Stat.) (Stock)</td>
</tr>
<tr>
<td>Maine (Const.)</td>
<td>Nebraska (Stat.)</td>
<td></td>
</tr>
<tr>
<td>Mississippi (Stat.)</td>
<td>New Mexico (Stat.)</td>
<td></td>
</tr>
<tr>
<td>Nevada ¹(Stat.)</td>
<td>North Dakota (Stat.)</td>
<td></td>
</tr>
<tr>
<td>New Jersey (Stat.)</td>
<td>Ohio (Stat.)</td>
<td></td>
</tr>
<tr>
<td>New York (Stat.)</td>
<td>Oklahoma (Stat.)</td>
<td></td>
</tr>
<tr>
<td>North Carolina ¹(Stat.)</td>
<td>Tennessee (Stat.)</td>
<td></td>
</tr>
<tr>
<td>Oregon (Stat.)</td>
<td>Texas (Const.)</td>
<td></td>
</tr>
</tbody>
</table>
APPENDIX I

State Taxation or Exemption of Stocks and Bonds
By State, 1973

<table>
<thead>
<tr>
<th>Exempts Both Stocks and Bonds</th>
<th>Exempts Neither Stocks nor Bonds</th>
<th>Exempts Either Stocks or Bonds</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Pennsylvania (Stat.)</td>
<td>Vermont (Stat.)</td>
<td></td>
</tr>
<tr>
<td>Rhode Island (Stat.)</td>
<td>West Virginia (Const.)</td>
<td></td>
</tr>
<tr>
<td>South Carolina (Const.)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Utah (Stat.)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Virginia (Stat.)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Washington (Stat.)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wisconsin (Stat.)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1 The following states have a local property tax on stocks:

- Alabama
- Florida
- Georgia
- Illinois
- Indiana
- Michigan
- Minnesota
- Missouri
- Nevada
- North Carolina
- Pennsylvania

CC/73 Research Staff  
Committee on Revenue, Finance and Taxation  
October 8, 1973  
Staff Memo No. 30

RE: Delegate Proposal No. 60

The following provides an example of Delegate Proposal Number 60 - provision to control future growth of state tax revenues - for the State of Louisiana for the fiscal year of 1971.

The total personal income for Louisiana and total tax revenue figures for the fiscal year 1971 were taken from the Survey of Current Business and Financial Statement for the State of Louisiana, respectively.

State Personal Income (1971)  
$12,010,000,000

State Tax Revenue Limit (10% of PI)  
$1,201,000,000

State Tax Revenues (1971)  
$1,092,871,162

If Delegate Proposal No. 60 were adopted, the state could have increased tax revenue by $118,128,838 before reaching the tax limit of $1,201,000,000. If the tax structure had raised tax revenue in 1971 above the $1,201,000,000, the additional amount would have been placed in a tax surplus fund which could have been used for an annual income tax refund or a tax reduction as provided by law.

California's proposed state tax revenue limit law would use its Tax Surplus Fund for tax refunds or reductions and/or for emergency situation appropriations (See Appendix II). The surplus would be utilized for a refund by means of a credit of 20% of personal income taxes, excluding taxes on capital gains on assets held for more than one year, items of tax preference, estates and trusts, or in such lesser percentage as the director of the Department of Finance would certify available for such refund. The proposed constitutional provision exempts single individuals whose adjusted gross income is less than $4,000 and married couples and heads of households whose adjusted gross income is less than $8,000 from state personal income taxes. The state tax revenue for purposes of computing the state tax revenue limit shall not be reduced by the refunds.

Appendix II setting out California initiative proposition relative to tax and expenditure legislation [Calif. Const. proposed Art. XXIX] has been omitted.

NOTES

Appendix II setting out California initiative proposition relative to tax and expenditure legislation [Calif. Const. proposed Art. XXIX] has been omitted.

APPENDIX I

LOUISIANA STATE TAX REVENUES (1971-72)

As Defined in Proposal No. 60

STATE TAXES, LICENSES, FEES:

<table>
<thead>
<tr>
<th>Description</th>
<th>TOTAL 1971-72</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alcoholic Beverage Taxes and Fees</td>
<td>$15,020,256.26</td>
</tr>
<tr>
<td>Anhydrous Ammonia Permits</td>
<td>21,561.45</td>
</tr>
<tr>
<td>Heer Cunes and Fees</td>
<td>23,385,031.98</td>
</tr>
<tr>
<td>Motor Vehicle Certificates of Title</td>
<td>3,497,697.00</td>
</tr>
<tr>
<td>Corporation Franchise Tax</td>
<td>29,098,533.23</td>
</tr>
<tr>
<td>Electricity Taxes</td>
<td>11,063,508.44</td>
</tr>
<tr>
<td>Gift Tax</td>
<td>487,795.84</td>
</tr>
<tr>
<td>Hotel-Motel Occupancy Tax</td>
<td>52,836.42</td>
</tr>
<tr>
<td>Income Tax</td>
<td>184,876,599.48</td>
</tr>
<tr>
<td>Inspection Fees - Petroleum Products</td>
<td>617,116.04</td>
</tr>
<tr>
<td>Liquified Petroleum Gas Permits</td>
<td>72,610.01</td>
</tr>
<tr>
<td>Motor Carrier Regulatory Tax</td>
<td>78,039.27</td>
</tr>
<tr>
<td>Natural Gas Franchise Tax</td>
<td>1,412,171.43</td>
</tr>
<tr>
<td>Occupational Licenses</td>
<td>9,781,756.70</td>
</tr>
<tr>
<td>Public Utilities Tax</td>
<td>6,173,328.52</td>
</tr>
<tr>
<td>Reforestation Tax</td>
<td>41,556.67</td>
</tr>
<tr>
<td>Total Sales Tax (including Parish Service Charge)</td>
<td>277,954,742.36</td>
</tr>
<tr>
<td>Seveancy Tax on Natural Resources</td>
<td>242,255,478.75</td>
</tr>
<tr>
<td>Soft Drink Taxes and Fees</td>
<td>3,378,309.91</td>
</tr>
<tr>
<td>Supervision and Inspection Fees</td>
<td>189,801.28</td>
</tr>
<tr>
<td>Tax Credit Warrants</td>
<td>42,026.86</td>
</tr>
<tr>
<td>Tobacco Tax and Fees</td>
<td>47,463,999.22</td>
</tr>
<tr>
<td>Ad Valorem Tax</td>
<td>29,116,594.25</td>
</tr>
<tr>
<td>Alcoholic Beverage Permits</td>
<td>778,319.14</td>
</tr>
<tr>
<td>Excise License Tax-Insurance</td>
<td>21,523,380.24</td>
</tr>
<tr>
<td>Inheritance Tax</td>
<td>9,411,000.98</td>
</tr>
<tr>
<td>Secretary of State Fees:</td>
<td></td>
</tr>
<tr>
<td>Incorporation Taxes</td>
<td>332,611.75</td>
</tr>
<tr>
<td>Fees, Various</td>
<td>309,348.85</td>
</tr>
<tr>
<td>Wildlife and Fisheries Commission - Fees:</td>
<td></td>
</tr>
<tr>
<td>Licenses, Fees, Seveancy Tax, Etc.</td>
<td>937,918.96</td>
</tr>
<tr>
<td>Angling Licenses</td>
<td>285,661.63</td>
</tr>
<tr>
<td>Trapping Licenses</td>
<td>4,908.17</td>
</tr>
<tr>
<td>Hunting Licenses</td>
<td>837,869.05</td>
</tr>
<tr>
<td>Rentals</td>
<td>130,981.35</td>
</tr>
<tr>
<td>Motor Boat Registration</td>
<td>191,062.00</td>
</tr>
<tr>
<td>Highway Fund:</td>
<td></td>
</tr>
<tr>
<td>Gasoline Taxes</td>
<td>125,150,989.01</td>
</tr>
<tr>
<td>Lubricating Oil Tax</td>
<td>3,058,706.81</td>
</tr>
<tr>
<td>Special Fuels Tax</td>
<td>9,824,475.49</td>
</tr>
<tr>
<td>Motor Vehicle Licenses</td>
<td>23,978,343.87</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$1,082,871,162.00</strong></td>
</tr>
</tbody>
</table>

1 Survey of Current Business, August, 1972, p. 24  
U. S. Department of Commerce, Social and Economic Statistics Administration  
Bureau of Economic Analysis  
2 Financial Statement, State of Louisiana, 1971-72

[654]
La. R.S. 33:2737.1 (1950) authorizes the parishes of Jefferson and St. Bernard to levy a one-half percent sales tax. Sabine, St. Bernard, Ascension, Lafourche, Morehouse, Lafayette, and Red River parishes are authorized to levy a one percent sales tax by La. R.S. 33:2737.21, 33:2737.31, 33:2737.42, 33:2738.41, 33:2738.42, 33:2738.43, and 33:2738.43 of 1950, respectively. The parish of East Baton Rouge is authorized to levy a two percent sales tax by La. R.S. 33:2741 (1950). All of the above authorizations, except those for East Baton Rouge, require voter approval before their imposition.

MUNICIPALITIES

According to La. R.S. 33:2711 (1950), all incorporated municipalities are authorized to levy a one percent sales tax. Furthermore, St. Francisville is authorized to levy an additional two percent sales tax, Zachary an additional three-fourths of one percent sales tax, New Orleans an additional one-half percent sales tax, and New Iberia an additional two percent sales tax in La. R.S. 33:2711.1, 33:2711.2, 33:2711.3, and 33:2711.5 of 1950, respectively. All of the above require voter approval before imposition.

SCHOOL BOARDS

All school boards are authorized to levy a one percent sales tax by La. R.S. 33:2737 (1950) except Jefferson and St. Bernard, which are authorized in subsequent acts. In addition, the following school boards are allowed to levy an additional one percent tax:

- West Feliciana Parish -- La. R.S. 33:2735.1
- Concordia Parish ------ La. R.S. 33:2736
- East Feliciana Parish -- La. R.S. 33:2738
- Livingston Parish ----- La. R.S. 33:2737.44
- St. Mary Parish ------ La. R.S. 33:2737.6
- Bienville Parish ------ La. R.S. 33:2737.7

The school boards of Jefferson and St. Bernard parishes were authorized to levy a one-half percent sales tax by La. R.S. 33:2737.1 (1950). Additionally, Jefferson Parish's school board was authorized to levy a one-half percent sales tax by La. R.S. 33:2737.43 (1950), and the school board of St. Bernard Parish was authorized to levy an additional one-half percent sales tax by La. R.S. 33:2738.21 (1950). The Northeast Louisiana Sales Tax District composed of the parishes of Catahoula, Jackson, Caldwell, West Carroll, Concordia, East Carroll, Franklin, Madison, Morehouse, Richland, Tensas, Union, Ouachita, and Lincoln was authorized by La. R.S. 33:2737.12 (1950) to levy a one percent sales tax. Once again, all of the above authorized sales taxes require voter approval before their imposition.

In summary, all of the sales taxes as authorized above, except East Baton Rouge Parish, require voter approval before imposition. The attachments are compilations of the statutory authorizations and of the authorities currently levying taxes.

NOTES

No attachments were made to Memo No. 31 as was indicated on Page 3.

NOTES

Staff Memo No. 32 reproduces the Homestead Exemption laws of the following states: Alabama, Florida, Georgia, Louisiana, Nebraska, North Carolina, Oklahoma, Texas, and Washington.
### LOUISIANA CONSTITUTION OF 1921

**CONSTITUTIONAL DEDICATIONS**

*(NOT RETAINED IN PROPOSED CONSTITUTION UNLESS INDICATED)*

<table>
<thead>
<tr>
<th>CITATION</th>
<th>RECIPIENT OF DEDICATION</th>
<th>AMOUNT OF DEDICATION</th>
<th>SOURCE OF REVENUE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Art. IV, §2, 531</td>
<td>Royalty Road Fund</td>
<td>10% of royalties received by state to the credit of the parish from which production occurs</td>
<td>Royalties</td>
</tr>
<tr>
<td>Art. IV, §2(c)(1) Art. VI, §23(f)</td>
<td>Long Range Highway Fund</td>
<td>$12,500,000 annually</td>
<td>Royalties</td>
</tr>
<tr>
<td>Art. IV, §2(c)(2) Art. VI, §23(f)</td>
<td>Long Range Highway Fund</td>
<td>$2,500,000 annually</td>
<td>Leases and Bonuses</td>
</tr>
<tr>
<td>Art. IV, §2(d)</td>
<td>Tidelands Escrow Fund</td>
<td>(1) Amount sufficient to purchase and retire in advance of maturity the callable bonds of the state and its agencies (balance remaining invested by state treasurer to end of calendar year); (2) At end of calendar year amount sufficient to pay bonded indebtedness of state and its agencies for the next calendar year is set aside; (3) Thereafter, no more than 10% of fund or up to $10,000,000 remaining on last day of calendar year my be appropriated by legislature for capital improvements.</td>
<td>Tidelands mineral leases</td>
</tr>
<tr>
<td>Art. VI, §22(a) Art. VI, §23(a)</td>
<td>Long Range Highway Fund</td>
<td>All of proceeds</td>
<td>4 cents per gallon gasoline tax and 1 cent per gallon gasoline tax</td>
</tr>
</tbody>
</table>

CC/73 Research Staff
December 21, 1973
Staff Memorandum No. 33
<table>
<thead>
<tr>
<th>CITATION</th>
<th>RECIPIENT OF DEDICATION</th>
<th>AMOUNT OF DEDICATION</th>
<th>SOURCE OF REVENUE</th>
</tr>
</thead>
</table>
| Art. VI, §22(g)(1) | (1) State Highway Fund No. 2, St. Charles Parish  
(2) St. John the Baptist Parish | (1) $50,000 annually  
(2) $50,000 annually | Vehicle license tax collected in the parishes of Orleans, Jefferson, St. John the Baptist, St. Charles, Tangipahoa, and St. Tammany |
| Art. VI, §22(g)(2) | State Highway Fund No. 2, Causeway to South Terminal, Lake Pontchartrain | $200,000 annually until 1982 | Vehicle license taxes collected in the parishes of Orleans, Jefferson, St. John the Baptist, St. Charles, Tangipahoa, and St. Tammany |
| Art. VI, §22(g)(3) | State Highway Fund No. 2, Construction and Improvement, U. S. Highway 51 | $300,000 annually until 1982 | Vehicle license taxes collected in the parishes of Orleans, Jefferson, St. John the Baptist, St. Charles, Tangipahoa, and St. Tammany |
| Art. VI, §22(g)(4) | State Highway Fund No. 2, (1) Mississippi River Bridge Authority  
(2) Special Reserve for St. Tammany and Jefferson Parishes to supplement tolls from expressway | (1) 50% of surplus monies remaining in State Highway Fund no. 2 after dedications of (1) Art. VI, §22(g)(1), (2) Art. VI, §22(g)(2), and (3) Art. VI, §22(g)(3)  
(2) Same as (1) immediately above | Vehicle license taxes collected in the parishes of Orleans, Jefferson, St. John the Baptist, St. Charles, Tangipahoa, and St. Tammany |
<table>
<thead>
<tr>
<th>CITATION</th>
<th>RECIPIENT OF DEDICATION</th>
<th>AMOUNT OF DEDICATION</th>
<th>SOURCE OF REVENUE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Art. VI, §23(b)</td>
<td>(1) Long Range Highway Fund</td>
<td>(1) 1/2 of proceeds</td>
<td>1 cent per gallon gasoline tax</td>
</tr>
<tr>
<td>Art. VI-A, §5</td>
<td>(2) Board of Commissioners of Lake Charles Harbor and Terminal District</td>
<td>(2) 1/20 of proceeds</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(3) Board of Commissioners of the Port of New Orleans</td>
<td>(3) (a) 9/20 of proceeds for retirement of bonds; (b) $500,000 annually shall continue after retirement of bonds</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(4) General Highway Interest and Bond Redemption Fund</td>
<td>(4) Balance to General Highway Interest and Bond Redemption Fund</td>
<td></td>
</tr>
<tr>
<td>(1) Art. VI, §23(c)</td>
<td>Long Range Highway Fund</td>
<td>(1) all of proceeds</td>
<td>(1) use fuel tax</td>
</tr>
<tr>
<td>(2) Art. VI, §23(d)</td>
<td></td>
<td>(2) all of proceeds</td>
<td>(2) taxes levied upon lubricating oil</td>
</tr>
<tr>
<td>(3) Art. VI, §23(e)</td>
<td></td>
<td>(3) all of proceeds</td>
<td>(3) vehicle license taxes collected in all parishes except Orleans, Jefferson, St. John the Baptist, St. Charles, Tangipahoa, and St. Tammany</td>
</tr>
<tr>
<td>Art. X, §13</td>
<td>(1) Governing authority of parish in which severance occurs</td>
<td>(1) 75% of proceeds of severance tax on timber severed within a parish</td>
<td>Severance tax on timber</td>
</tr>
<tr>
<td></td>
<td>(2) State General Fund</td>
<td>(2) Balance to State General Fund</td>
<td></td>
</tr>
<tr>
<td>Art. X, §10B4</td>
<td>Revenue Sharing Fund</td>
<td>$80,000,000 annually</td>
<td>State General Fund</td>
</tr>
<tr>
<td>Art. X, §215</td>
<td>Governing authority of parish in which severance occurs</td>
<td>(1) 1/3 of proceeds of severance tax on sulphur not to exceed $100,000 to any parish in any year [any amount due on sulphur included within $200,000 limit to any parish of (2) immediately below]</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>(2) Severance tax on oil, gas, or other minerals or any natural resources severed from the soil or water</td>
<td></td>
</tr>
<tr>
<td>CITATION</td>
<td>RECIPIENT OF DEDICATION</td>
<td>AMOUNT OF DEDICATION</td>
<td>SOURCE OF REVENUE</td>
</tr>
<tr>
<td>----------</td>
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<td>-------------------</td>
</tr>
</tbody>
</table>
| Art. X, §21<sup>5</sup>  
(Continued from page 3) | (2) 1/5 of proceeds of severance tax on oil, gas, or other minerals or any natural resources severed from the soil or water not to exceed $200,000 to any parish for any year | (Continued from page 3) |
| Art. X-A, §3 | Confederate veterans and their widows | Amount sufficient for pensions authorized by Art. XVIII, §3 | State General Fund |
| Art. X-A, §4 | Louisiana State University | $1,000,000 annually | State General Fund |
| Art. XII, §14 | Public School Fund | Minimum of $10,000,000 annually or balance of Severance Tax Fund after (a) expenses of collection of severance taxes not to exceed $500,000 and (b) expenses of supplying free textbooks, library books, and other school supplies | Severance taxes (Severance Tax Fund) |

<sup>3</sup>Committee Proposal 15, §4(D) dedicates 1/10 of royalties from mineral leases on state owned property to governing authority of parish in which severance occurs. Committee Proposal 34, §8 defines pertinent terms as used in Committee Proposal 15, §4(D) and excludes royalties from Russell Sage Wildlife and Game Refuge.

<sup>2</sup>Committee Proposal 34, §10 dedicates offshore mineral revenues to purchase, retirement, and payment in advance of maturity bonded indebtedness of the state (any balance to be invested); if funds not expended within one year, then legislature may appropriate for capital improvements or for purchase of land 10% of balance, not to exceed $10,000,000 annually.

<sup>3</sup>Committee Proposal 15, §4(D) dedicates 3/4 of timber severance tax to governing authority of parish in which severance occurs.

<sup>4</sup>Committee Proposal 26, §6(B) allocates annually $90,000,000 from State General Fund to Revenue Sharing Fund.

<sup>5</sup>Committee Proposal 15, §4(D) dedicates to the governing authority of parish in which severance occurs 1/3 of sulphur severance tax and 1/5 of the severance tax on all other natural resources severed from the soil or water, but the amount of severance tax on sulphur so remitted shall not exceed $100,000 to any parish for any year and the amount of severance tax on all other natural resources except timber severed from the soil or water so remitted shall not exceed $500,000 to any parish for any year.
II. B. Subcommittee Staff Memoranda

ALTERNATIVE PROPOSAL

Power to tax. The power to tax shall be vested in the legislature and shall never be surrendered, suspended or contracted away.

Income tax. The power to tax incomes is restricted to the state.

Comment: Analysis of the following clauses:

1) All taxes shall be uniform upon the same class...
   Arguments for uniformity clause:
   a) Taxpayer interest would receive the strongest protection;
   b) guarantees that comparable subjects be treated alike for tax purposes;
   c) tax rates which might be discriminatory or excessively high would be in effect prohibited by a uniformity clause.

Arguments against uniformity clause:
   a) Such clauses create confusion in judicial interpretation;
   b) protection to taxpayers from discriminatory taxation adequately is provided under traditional guarantees of "due process" and "equal protection" clauses of federal constitution.

Since "due process" and "equal protection" clauses of federal constitution protect the taxpayers, a state constitutional uniformity clause is unnecessary. The Louisiana State Supreme Court has ruled that the uniformity clause applies to property taxes only.

2) ...shall be levied and collected for public purposes only.

Once again the taxpayers are protected by "due process" and "equal protection" clauses of the federal constitution.

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RE: Whether there should be included in the new constitution a provision regarding the practice of forestry.

The legislature may do anything not prohibited by the federal or state constitutions, including enacting laws relative to the practice of forestry. Therefore no specific provision regarding the practice of forestry is necessary in the new constitution. By its general grant of power, the legislature could create a Forestry Commission, with statutory provisions governing its composition and operation.

The provision regarding taxation is deleted in view of the fact that under its general power of taxation, the legislature may tax forest products or the forestry industry or impose or authorize local governing authorities to impose acreage or other taxes.
RE: Inheritance and Donation Taxes

Under Article X, Section 1 of the Louisiana Constitution of 1921, the legislature is vested with the general power of taxation. Because of this, it is not necessary to have a provision for inheritance and donation taxes in the constitution. The only purpose for having such a provision would be to insure that the exemptions granted and the maximum rates established will not be eliminated or increased by the legislature.

As provided by Article X, Section 7 of the present constitution, donations and legacies to charitable, religious, or educational institutions located within the state are exempt from such taxes. Also, donations and legacies to charitable, religious, or educational institutions located in another state or territory of the United States are exempt from such taxes provided that the laws of the state or territory wherein such institutions are located contain reciprocal provisions allowing similar exemptions in respect to donations and legacies made to such institutions in other states or territories of the United States.

In the Louisiana Revised Statutes of 1950, Title 47, Section 2462, as amended, the following exemptions are provided:

1. To a direct descendant by blood, or affinity, ascendant or surviving spouse of decedent to the amount of five thousand dollars ($5,000.00);
2. To a collateral relation of decedent, (including brothers or sisters by affinity) to the amount of one thousand dollars ($1,000.00);
3. To a stranger, to the amount of five hundred dollars ($500.00);
4. To charitable, religious, or educational institutions located within the State of Louisiana on all legacies and donations; and
5. To the State of Louisiana or to any incorporated municipality or other political subdivisions thereof, for exclusively public purposes, on all legacies and donations.

RE: Suggestion for alternative proposal: same wording except change two-thirds vote to majority vote

The two-thirds rule must be carefully considered because of its impact on future tax legislation. With this in mind, the committee should weigh the advantages and disadvantages of such a proposal.

The greatest advantage of the two-thirds rule is in preventing the legislature from enacting tax laws which could place too much of a tax burden on the taxpayers. Accordingly, the two-thirds rule prevents the legislature from passing tax laws too hastily and without serious consideration.

However, there are several disadvantages of the two-thirds rule. First, the rule makes it difficult for the legislature to pass tax laws. This ties the state to its present tax structure which may be inadequate to meet future needs. With declining oil and gas revenues, this problem may become drastic in the near future.

Secondly, the two-thirds rule makes it more difficult for the state to raise taxes to take care of current operating expenses, which means the state will either have to go further into debt or cut back on the public goods and services it provides the citizens. Furthermore, as incomes increase, the citizens will demand better schools, highways, recreational facilities, and government. These public goods and services can only be provided if the legislature has the flexibility to meet the citizen's demands.

Finally, it should be mentioned that Louisiana is the only state with the two-thirds rule. Evidently, other states feel that this rule is too restrictive.

The advantages must be analyzed with the disadvantages. What is an advantage can be viewed as a disadvantage, and disadvantages can be viewed as advantages. But the question still remains, "should the legislature be given the flexibility and power to adjust to the will of the people?"
III. Proposals

Proposed SECTION:

Article ____, Section _____. Royalty Road Fund

Section _____. Ten per cent of the royalties received by the state from any mineral lease shall be placed in a special fund to the credit of the parish from which the mineral was severed. This fund shall be administered by the state treasurer and used exclusively by the department of highways to build, construct, and maintain transportation facilities in such parish.


Comment: Provides for creation of the Royalty Road Fund with no substantive change from the present law.

Proposed SECTION:

Article ____, Section ___. Resource Severance Fund

Section ___. Seventy-five per cent of the proceeds from the timber severance tax and ten per cent of the royalties received by the state from any mineral lease shall be remitted to the governing authority of the parish from which the natural resource was severed.


Comment: Provides for creation of Resource Severance Fund.

Proposed SECTION:

Article ____, Section _____. Severance Tax

Section ___. Severance tax shall be the only tax on natural resources.

Source: La. Const. of 1921. Article X, § 21

Comment: Provides for limitation of a tax on natural resources with no substantive change in the present law. The remainder of Art. X, § 21 is reinstated in substance in another proposal except for the $1.03 ceiling on sulphur.

CC-271

Constitutional Convention of Louisiana of 1973

DELEGATE PROPOSAL NUMBER

Introduced by

A PROPOSAL

For dedication of revenues to local governing authorities.

Proposed SECTION:

Article ____, Section _____. Resource Severance Fund

Section _____. Three-fourths of the timber severance tax, one-fifth of the sulphur severance tax, one-fifth of the tax on all other natural resources, and one-tenth of the royalties from mineral leases granted by the state shall be remitted to the governing authority of the parish from which the natural resource was severed, provided that the amount of severances on minerals so remitted not exceed two hundred thousand dollars annually.


Comment: Provides for dedication of revenues from severance taxes and mineral royalties to parishes from which natural resources are severed with no change from the present law except deletion of limitation on use of such revenues for transportation purposes.

CC-272

Constitutional Convention of Louisiana of 1973

DELEGATE PROPOSAL NUMBER

Introduced by

A PROPOSAL

For severance tax on natural resources.

Proposed SECTION:

Article ____, Section _____. Severance Tax

Section ___. Severance tax shall be the only tax on natural resources.

Source: La. Const. of 1921. Article X, § 21

Comment: Provides for limitation of a tax on natural resources with no substantive change in the present law. The remainder of Art. X, § 21 is reinstated in substance in another proposal except for the $1.03 ceiling on sulphur.

CC-270

Constitutional Convention of Louisiana of 1973

DELEGATE PROPOSAL NUMBER

Introduced by

A PROPOSAL

For dedication of revenues to local governing authorities.
intervals

Section introduced by

A PROPOSAL

For limitation on legislative power to tax.

PROPOSED SECTION:

Article ____, Section ____. Power to tax; Limitation

Section ____. State taxes shall not be levied or increased unless
by recorded vote of two-thirds of the members of the legislature.

Source: La. Const. Art. X, § 1(a) and Art. III, § 25.1

Comment: Provides for a two-thirds vote on all tax measures with no
substantive change in the present law.

CC-274

Constitutional Convention of Louisiana of 1973

PROPOSED SECTION:

Article ____, Section ____. Royalty Fund

Section ____. Ten percent of the royalties
from any mineral lease granted by the state shall be remitted to the
governing authority of the parish from which the mineral was severed.


Comment: Provides for creation of a Royalty Fund with no substantive
change from the present law except the requirement that such funds
be used for transportation purposes is deleted.

CC-1140

Constitutional Convention of Louisiana of 1973

A PROPOSAL

For prohibiting the state from levying a property tax.

Be it adopted by the Constitutional Convention of Louisiana
of 1973:

Article XV, Section 23. State Property Tax Prohibited
Section 23. No state ad valorem tax on property
shall be enacted.

CC-1151

Constitutional Convention of Louisiana of 1973

PROPOSED SECTION:

Article ____, Section ____. Royalty Fund

Section ____. Ten percent of the royalties
from any mineral lease granted by the state shall be remitted to the
governing authority of the parish from which the mineral was severed.


Comment: Provides for creation of a Royalty Fund with no substantive
change from the present law except the requirement that such funds
be used for transportation purposes is deleted.

CC-1140

Constitutional Convention of Louisiana of 1973

A PROPOSAL

For prohibiting the state from levying a property tax.

Be it adopted by the Constitutional Convention of Louisiana
of 1973:

Article XV, Section 23. State Property Tax Prohibited
Section 23. No state ad valorem tax on property
shall be enacted.

CC-1151

Constitutional Convention of Louisiana of 1973

PROPOSED SECTION:

Article ____, Section ____. Royalty Fund

Section ____. Ten percent of the royalties
from any mineral lease granted by the state shall be remitted to the
governing authority of the parish from which the mineral was severed.


Comment: Provides for creation of a Royalty Fund with no substantive
change from the present law except the requirement that such funds
be used for transportation purposes is deleted.

CC-1140

Constitutional Convention of Louisiana of 1973

A PROPOSAL

For prohibiting the state from levying a property tax.

Be it adopted by the Constitutional Convention of Louisiana
of 1973:

Article XV, Section 23. State Property Tax Prohibited
Section 23. No state ad valorem tax on property
shall be enacted.
Louisiana Tax Commission, and the courts in accordance with procedure established by law.

Section 3. Exemptions

Section 3. The following property, and no other, shall be exempt from taxation: (A) Homesteads. From state, parish, and special taxes, the homestead, bona fide, consisting of a tract of land, or two or more tracts of land with a residence on one tract and a field, pasture, or garden on the other tract or tracts, not exceeding one hundred and sixty acres, buildings and appurtenances, whether rural or urban, owned and occupied by every head of a family, or person having a mother or father, or a person or persons dependent on him or her for support, in the full amount of three thousand dollars of the assessed valuation; provided that this exemption shall not extend to any municipal or city taxes, save and except in Orleans Parish, and shall in Orleans Parish apply to the state, the general city, the school, the levee, and levee board taxes. The exemption of homesteads shall extend to the surviving spouse, or minor child or children, of a deceased owner and to the bona fide homestead when occupied as such and title thereto is in either husband or wife, provided that the exemption shall not be extended to more than one homestead owned by the husband or wife. An additional $2,000 homestead exemption shall be provided for veterans. An additional $2,000 homestead exemption for all other than veterans upon reaching age 65 shall be provided. Applications shall be made yearly and the term veteran and any other explanation of this matter shall be as defined by the legislature.

(B) All public property.

(C) Places of religious worship; property owned by religious denominations and used as residences for ministers; places of burial, and property held by any religious denomination or nonprofit corporation or organization for burial purposes, but the exemption shall not apply to unsold lots, crypts, or places for burial, nor shall it apply to lands held for development as places for burial, when so held for profit; places devoted to charitable undertakings, including that of such organizations as lodges and clubs organized for charitable and fraternal purposes and practicing the same; schools and colleges; nonprofit hospitals; but the exemption shall extend only to property, and grounds thereunto appurtenant, used for the above mentioned purposes, and not leased for profit or income.

(D) Cash on hand or deposit; obligations secured by mortgage on property located in Louisiana and the notes or other evidence thereof; loans by life insurance companies to policy holders, if secured solely by their policies; the legal reserve of domestic life insurance companies; loans by homestead or building and loan associations to their members, if secured solely by stock of said associations; debts due for merchandise or other articles of commerce or for services rendered; obligations of the state or its political subdivisions; all personal property used in the home or on loan in a public place; agricultural products while owned by the producer, agricultural machinery and other implements used exclusively for agricultural purposes, and all animals on the farm, and property belonging to agricultural fair associations; all property used for cultural or civic activities and not operated for profit to the owners; all ocean-going vessels engaged in international trade and domiciled in Louisiana ports, but this exemption shall not apply to harbor, wharf, shed, and other port dues, and no vessel operated in the coastal trade of the continental United States.

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shall be within the exemption herein granted; boats using gasoline as motor fuel; commercial vessels used for gathering seafood; and rights-of-way granted to the State Department of Highways.

(E) From state, parish, and special taxes, all motor vehicles used on the public highways of this state, provided that this exemption shall not extend to any general or special tax levied by the governing authority of any municipality, or district created by any such municipality, unless the governing authority thereof shall provide for such exemption by ordinance or resolution.

(F) The State Board of Commerce and Industry, with the approval of the governor, and the local governing authority may enter into contracts for the exemption of any new manufacturing establishment already existing in the state upon such terms and conditions as the board, with the approval of the governor, and the local governing authority may deem to be in the best interest of the state. The terms "manufacturing establishment" and "addition" or "additions" as used in this Paragraph mean a new plant or establishment or an addition or additions to any existing plant or establishment which engages in the business of working raw materials into wares suitable for use or which gives new shapes, new qualities, or new combinations to matter which already has gone through some artificial process. No exemption shall be contracted for any new manufacturing establishment in any locality where there is a manufacturing establishment actually engaged in the manufacture of the same or closely competitive articles without the written consent of the owner of such existing manufacturing
establishment to be attached to and identified with the contract of exemption. No exemption from taxes shall be granted under the authority of this Paragraph for a longer initial period than five calendar years from the date of the execution of the contract of exemption or five calendar years from the date of

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years from the date of the completion of the construction as described in the contract for tax exemption, the commencement of the exemption upon either of such dates to be specified in the contract at the discretion of the State Board of Commerce and Industry and subject to approval by the governor. Upon application within ninety days before the expiration of the initial period of five years, and upon proper showing of a full compliance with the contract of exemption by the contractee, any exemption granted under the authority of this subsection shall be renewed for an additional period of five calendar years. Any such exemption shall ipso facto cease upon violation of the terms and conditions of the contract which granted the same. All property exempted, in accordance with the provisions of the paragraph shall be listed on the assessment rolls and submitted to the Louisiana Tax Commission, but no taxes shall be collected thereon during the period of exemption. On January first following the expiration of any contract of exemption entered into under this Paragraph, and for each year thereafter, all property exempted by any such contract shall be listed on the assessment rolls and shall be assessed at the end of the tax exemption period at not more than the average assessment ratio on all other property assessed by the assessor in the parish in which the property is located. To determine the assessment ratio of locally assessed property, the Louisiana Tax Commission shall annually determine in each parish the assessed value of all locally assessed property in relation to actual value. All taxes imposed upon such property shall be collected in the manner provided by law.

(G) (1) All raw materials, goods, commodities, and articles imported into this state from outside of the continental United States:
(a) so long as such imports remain upon the public property or docks of any common carrier
(b) so long as any such imports (other than minerals and ores of the same kind as any mined or produced in this state and manufactured articles) are held in this state in the original form in bales, sacks, barrels, boxes, cartons, containers, or other original packages, and raw materials held in bulk as all or a part of the new material inventory of manufacturers or processors, solely for manufacturing or processing;
(c) so long as any such imports are held by an importer in any public or private storage in the original form in bales, sacks, barrels, boxes, cartons, containers, or other original packages and agricultural products in bulk.
This shall not apply to a retail merchant holding such imports as part of his stock in trade for sale at retail.
All such property whether entitled to exemption or not shall be reported to the proper taxing authority on the forms required by law.
(2) All raw materials, goods, commodities, and other articles being held upon the public property of a port or authority or docks of any common carrier or in a warehouse, grain elevator, dock, wharf, or public storage facility in this state for export to a point outside the continental United States.
All such property entitled to exemption shall be reported to the proper taxing authority on the forms required by law.
(3) All goods, commodities, and personal property in public or private storage while in transit through this state which is (a) moving in interstate commerce through or over the territory of the State of Louisiana, or (b) which is in public or private storage within the State of Louisiana having been shipped thereto from outside of the State of Louisiana for storage in transit to a final destination outside of the State of Louisiana, whether such

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destination was specified when transportation begins or afterward. All such property whether entitled to exemption or not shall be reported to the proper taxing authority on the forms required by law.
Section 4. Adjustment of Ad Valorem Tax Millages
Section 4. The amount of taxes collected from a particular millage levied by any taxing authority shall not be increased or decreased because of the method of assessing property at a uniform ratio of assessment to value as provided in Article XI, Section 1, or because of any subsequent change in percentage of fair market value established by the legislature for assessment and it shall be the mandatory duty of all public bodies that levy millage to adjust the millage proportionate to the adjustments in assessment values so as to produce the same total dollar amount of revenue. Nothing provided herein shall be construed to prohibit the respective municipalities, parishes, or other taxing districts or authorities from collecting a larger dollar amount of ad valorem taxes by means of levying additional millages in
the manner provided by law, by additional property being placed on their respective tax rolls, or by reason of increased property values due to economic conditions, and provided further that this provision shall not be construed so as to diminish the security of outstanding bonds.

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CC-1154
Constitutional Convention of Louisiana of 1973
COMMITTEE PROPOSAL NUMBER
Introduce by Delegate Rayburn, Chairman, on behalf of the Committee on Revenue, Finance and Taxation, and Delegates Alario, Badeaux, Brown, Champagne, Chehardy, Conroy, De Blicieux, Edwards, Fontenot, Lowe, McDaniel, Mauherret, Hare, Newton, Huner, Planchard, Roemer, Schmitt, Slay, Smith, Triche, and Winchester

A PROPOSAL

Making provisions for property taxation.
Be it adopted by the Constitutional Convention of Louisiana of 1973:

ARTICLE XI. REVENUE AND FINANCE
Section 1. Assessment of Property; Classification; Assessors; Right of Taxpayer
Section 1. (A) All property subject to ad valorem taxation shall be listed on the assessment rolls at its assessed valuation which shall be the percentage of its fair market value as otherwise provided in this constitution; such percentage of fair market value shall be uniform throughout the state upon the same classes of property.
(B) The classifications of property subject to ad valorem taxation and the percentage of fair market value applicable to each such classification for the purpose of determining assessed valuation are as follows:

CLASSIFICATIONS: PERCENTAGES:
1. All land ................. 5%
2. Improvements on residential property .... 10%
3. All other property ........ 15%
(C) The assessor within each parish and the assessors within Orleans Parish shall determine the fair market value of all property subject to taxation within their respective parishes and districts except public service properties which shall be valued and assessed by the Louisiana Tax Commission.
(D) Any taxpayer shall have the right to test the correctness of his assessment before the Louisiana Tax Commission or in the courts at the domicile of the assessing authority, or as may be otherwise directed by law.

7. Section 1. Homestead Exemption; Other Property Exemptions
8. Section 2. The following property shall be exempt from taxation: (A) Homesteads. From state, parish, and special taxes, the homestead, bona fide, consisting of a tract of land, or two or more tracts of land with a residence on one tract and a field, pasture, or garden on the other tract or tracts, not exceeding one hundred and sixty acres, buildings and appurtenances, whether rural or urban, owned and occupied by any person, in the full amount of five thousand dollars of the assessed valuation; provided that this exemption shall not extend to any municipal or city taxes except the following: (1) in Orleans parish this exemption shall apply to the state, the general city, the school, the levee, and levee board taxes; (2) this exemption shall apply to any taxes levied for school purposes by city school boards. The exemption of homesteads shall extend to the surviving spouse, or minor child or children, of a deceased owner and to the bona fide homestead when occupied as such and title is vested in either husband or wife, provided that the exemption shall not be extended to more than one homestead owned by the husband or wife.
(B) Additional property may be exempted from taxation if authorized by a two-thirds vote of the elected members of both houses of the legislature.
9. Section 3. Taxes, Obligations, and Other Provisions of Constitution Prior to Adoption of New Constitution
Section 3. The provisions of Article XI, Section 2, shall in no way be construed or applied in such a manner

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1. as to: (a) invalidate taxes authorized and imposed prior to the effective date hereof; or (b) impair the obligations, validity, or security of any bonds or other debt obligations authorized prior to such date; or (c) make inapplicable any other provisions of this constitution or laws of this state, in force and effect on such effective date, to the extent that such provisions grant homesteads exemption from taxation.

Section 4. Adjustment of Ad Valorem Tax Millages
Section 4. The amount of taxes collected from a particular millage levied by any taxing authority on any property in the state shall not be increased because of the method of assessing property at a uniform ratio of assessment to value as provided in Article XI, Section 1, and it shall be the mandatory duty of all public bodies that levy millage to adjust the millage proportionate to the adjustments in assessment values so as to produce the same dollar amount of revenue. Nothing provided herein shall be construed to prohibit the respective municipalities, parishes, or other taxing districts or authorities from
collecting a larger dollar amount of ad valorem taxes
by means of levying additional millages in the manner
provided by law, by additional property being placed on
their respective tax rolls or by reason of increased property
values due to economic conditions, and provided further
that this provision shall not be construed so as to diminish
the security of outstanding bonds.

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CC-1155
1 Constitutional Convention of Louisiana of 1973
2 DELEGATE PROPOSAL NUMBER
3 Introduced by Delegate Rayburn, Chairman, on behalf of
the Committee on Revenue, Finance and Taxation
5
6
7
8 Making provisions for property taxation.
9 Be it adopted by the Constitutional Convention of
Louisiana of 1973:
11
12 ARTICLE XI. REVENUE AND FINANCE
13 Section 1. Assessment of Property; Classification;
Assessors; Right of Taxpayer
15 Section 1. (A) All property subject to ad valorem
taxation shall be listed on the assessment rolls at its
assessed valuation which shall be a percentage of its
fair market value; such percentage of fair market value
shall be uniform throughout the state upon the same class
of property.
(B) The classifications of property subject to ad
valorem taxation and the percentage of fair market value
applicable to each such classification for the purpose of
determining assessed valuation are as follows:

CLASSIFICATIONS:           PERCENTAGES:
1. All land .................. 5%
2. Improvements on residential property ... 10%
3. All other property ........... 15%
(C) Assessors shall determine the fair market value
of all property subject to taxation within their respective
parishes and districts except public service properties
which shall be valued by the Louisiana Tax Commission.
(D) Any taxpayer shall have the right to test the
correctness of his assessment before the Louisiana Tax
Commission subject to review by the district court at the
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1 domicile of the assessing authority.
2 Section 2. Homestead Exemption; Other Property Exemption;
3 Section 2. The following property shall be exempt
from taxation: (A) Homesteads. From state, parish, and
special taxes, the homestead, bona fide, consisting of a
tract of land, or two or more tracts of land with a residence
on one tract and a field, pasture, or garden on the other
tract or tracts, not exceeding one hundred and sixty acres,
buildings and appurtenances, whether rural or urban, owned
and occupied by any person, in the full amount of five
thousand dollars of the assessed valuation; provided that
this exemption shall not extend to any municipal or city
taxes except the following: (1) in Orleans Parish this
exemption shall apply to the state, the general city, the
school, the levee, and levee board taxes; (2) to any
municipal or city taxes levied for school purposes. The
exemption of homesteads shall extend to the surviving
spouse or minor child or children of a deceased owner and
to the bona fide homestead when occupied as such and title
thereto is in either husband or wife, provided that this
exemption shall not be extended to more than one homestead
owned by the husband or wife.
(B) Additional property may be exempted from taxation
if authorized by a two-thirds vote of the elected membership
of each house of the legislature.

Section 3. No Impairment of Existing Taxes or Obligations
Section 3. The provisions of Article XI, Section 2,
in no way shall be construed or applied in such a manner as
to: (a) invalidate taxes authorized and imposed prior to
the adoption of this constitution; or (b) impair the obligations
validity, or security of any bonds or other debt obligations
authorized prior to the adoption of this constitution.

Section 4. Adjustment of Ad Valorem Tax Millages
Section 4. The amount of taxes collected by any
taxing authority in the state shall not be increased because

CC-1155
1 of the method of assessing property at a uniform ratio of
2 assessment to value as provided in Article XI, Section 1,
and it shall be the mandatory duty of all taxing authorities
4 to adjust millages proportionate to adjustments in assessment
5 values so as to produce the same dollar amount of revenue.
6 Nothing provided herein shall be construed to prohibit any
taxing authority from collecting a larger dollar amount
8 of ad valorem taxes by means of the following: (a) by
levying additional millages as provided by law; (b) by
placing additional property on the tax rolls; or (c) by
reason of increased property values due to economic conditions.
12 Nothing contained herein shall be construed to diminish
13 the security of outstanding bonds.

-4-

CC-1155. (as amended)
1 Constitutional Convention of Louisiana of 1973
2 DELEGATE PROPOSAL NUMBER
3 Introduced by Delegate Rayburn, Chairman, on behalf of
the Committee on Revenue, Finance and Taxation

[667]
A PROPOSAL

Making provisions for property taxation.

Do it adopted by the Constitutional Convention of Louisiana of 1973:

ARTICLE XI. REVENUE AND FINANCE

Section 1. Assessment of Property; Classification; Assessors; Right of Taxpayer

Section 1. (A) All property subject to ad valorem taxation shall be listed on the assessment rolls at its assessed valuation which shall be a percentage of its fair market value; such percentage of fair market value shall be uniform throughout the state upon the same class of property.

(B) The classifications of property subject to ad valorem taxation and the percentage of fair market value applicable to each such classification for the purpose of determining assessed valuation are as follows:

CLASSIFICATIONS:  PERCENTAGES:
1. All land .................. 5%
2. Improvements on residential property .. 10%
3. All other property ............... 15%

(C) Assessors shall determine the fair market value of all property subject to taxation within their respective parishes and districts except public service proportion which shall be valued by the Louisiana Tax Commission.

(D) Any taxpayer shall have the right to test the correctness of his assessment before the Louisiana Tax Commission subject to review by the district court at the

CC-1155 (as amended)

1 domicile of the assessing authority.

Section 2. Homestead Exception; Other Property Exceptions

Section 2. The following property shall be exempt from taxation: (A) Homesteads. From state, parish, and special taxes, the homestead, bona fide, consisting of a tract of land, or two or more tracts of land with a residence on one tract and a field, pasture, or garden on the other tract or tracts, not exceeding one hundred and sixty acres, buildings and appurtenances, whether rural or urban, owned and occupied by any person, in the full amount of five thousand dollars of the assessed valuation. However, veterans and persons sixty-five years or older shall be provided with a homestead exemption of six thousand dollars of the assessed valuation. No exemption shall extend to any municipal or city taxes except the following: (1) in Orleans Parish this exemption shall apply to the state, the general city, the school, the levee, and levee board taxes; (2) to any municipal or city taxes levied for school purposes. The exemption of homesteads shall extend to the surviving spouse or minor child or children of a deceased owner and to the bona fide homestead when occupied as such and title thereto is in either husband or wife, provided that this exemption shall not be extended to more than one homestead owned by the husband or wife.

(B) Additional property may be exempted from taxation if authorized by a two-thirds vote of the elected membership of each house of the legislature.

Section 3. No Impairment of Existing Taxes or Obligations

Section 3. The provisions of Article XI, Section 2, in no way shall be construed or applied in such a manner as to: (a) invalidate taxes authorized and imposed prior to the adoption of this constitution; or (b) impair the obligations, validity, or security of any bonds or other debt obligations authorized prior to the adoption of this constitution.

Section 4. Adjustment of Ad Valorem Tax Millages

Section 4. The amount of taxes collected by any taxing authority in the state shall not be increased because of the method of assessing property at a uniform ratio of assessment to value as provided in Article XI, Section 1, and it shall be the mandatory duty of all taxing authorities to adjust millages proportionate to adjustments in assessment values so as to produce the same dollar amount of revenue.

Nothing provided herein shall be construed to prohibit any taxing authority from collecting a larger dollar amount of ad valorem taxes by means of the following: (a) by levying additional millages as provided by law; (b) by placing additional property on the tax rolls; or (c) by reason of increased property values due to economic conditions.

Nothing contained herein shall be construed to diminish the security of outstanding bonds.

Section 5. Tax Assessor

Section 5. (A) There shall be a tax assessor elected by the qualified electors of each parish in the state, parish of Orleans excepted. His term of office shall be four years on the legislature shall define his duties, fix his compensation, and provide for his election.

(B) There shall be seven assessors in the city of New Orleans, who together shall compose the Board of Assessors for the parish of Orleans. One shall be elected from each municipal district of the city of New Orleans, and they shall be residents of the districts from which they are elected. Their terms shall be four years and they shall be elected at the same time as the municipal officers of the city of New Orleans.

[668]
IV. Selected Correspondence

A. Chairman’s Correspondence

C C.
10688 Ranchwood Drive
Baton Rouge, La.
April 1, 1973

Dear Senator Rayburn:

I attended the hearing which you chaired yesterday at the State Capitol on property taxes, and I concurred with what you said about the wealth tax exempt etc.

I recall that you were one of the few senators who had backbone enough to stand up and be a man when the so-called Equal Rights Amendment for women was voted on. For this, I thank you.

I think that the power-by-wanting to equalize us, they wanted to make women the same as men, now, this time they want to equalize us by making us all equally homeless. In the name of equal, we are being enslaved!

Thank you for your remarks yesterday, and please see what you can do to remove all taxation from our homes.

Sincerely,

Betty M. Kimmette (Mrs. V. E.)
Chairman, Females Opposed to Equality

F. S.

As far as leaving the power of taxation to the City Council and School Board is concerned, they would have us in the poorhouse in a year. The more they spend for schools, the less education the children get. The schools are now more than training grounds for revolution and rebellion. If the school doors closed tomorrow, our nation would be better off than it is today with the type of schools we are now being forced to operate. Several weeks ago, our EDUCATED school board heard a staff member say that a good percentage of our high school graduates CAN’T EVEN READ.

Supreme Court
STATE OF LOUISIANA
New Orleans
TO:
April 4, 1973

Senator B. B. Rayburn
Chairman, Revenue & Taxation, CC/73
600 Ave. B.
Bogalusa, Louisiana 70427

Dear Senator Rayburn:

For what it is worth, a respected legal authority suggested that I mail to you for use of your research staff the enclosed opinion rendered by the United States Supreme Court on February 22, 1973.

I am looking forward to being with you soon. Be sure to let me read you coffee (etc.) when you are next in this big sin-loving city.

Warm regards,

Sincerely,

Albert Tate, Jr.

AT/K encl.

[Lehnhausen v. Lake Shore Auto Parts Co. and Barrett, County Clerk of Cook Country, v. Pupiro, 41 Law Week 4289-92 (1973), enclosed, has been omitted.]

TO: ALL LOUISIANA STATE LEGISLATORS

THE GOVERNOR'S Revenue Sharing Committee headed by Mayor Moon Landrieu has recently approved a distribution of excess revenue sharing funds for 1973-74 which limits public school boards to excess revenue based on the number of children in school (public, private, and parochial) compared to the total population in the parish. We understand that the Revenue Sharing Committee's report will be submitted to the Governor in the very near future. We also understand that minority reports are being prepared by the School Boards Association, the Assessors' Association, and the Sheriffs' Association.

We are most concerned that the Governor's Revenue Sharing Committee has approved a distribution method of excess funds that appears to be completely illogical and greatly favors larger-city municipalities. As you know, the State Revenue Sharing replaces the property tax distribution method from which municipalities received no revenue at all until this current year. Because excess revenue was received by municipalities this year, we understand and agree that they should share in the excess in future years. However, the method of distribution must be on a sound and equitable basis.

In your consideration of this most involved and difficult revenue sharing method, please consider the following factors which we believe to be fair and equitable to all concerned:

1. That the first funds from State Revenue Sharing be dedicated to replace homestead exemption losses, without tying this to the base year 1971-72. An increase in homesteads will not result in an increase of revenues under this formula. This would provide the basis for distribution of the funds.

2. Any excess should be distributed within the parish based on total taxes levied and collected by the various taxing bodies. This method of distributing excess would then be in the same proportion as taxes and revenues from the citizens to the various taxing agencies within the parish.

Please be assured that we have no desire to discriminate against the municipal association or any other taxing body, and we are just as concerned that the public school system not be discriminated against. Thank you for your consideration of this request.

Yours truly,

Robert E. King
President

STATE OF LOUISIANA CONSTITUTIONAL CONVENTION OF 1973 P. O. BOX 17420 BATON ROUGE LOUISIANA 70804 TELEPHONE 382-5534

ESMS

FROM:
Research Staff, CC/73

RE: Estimated State Revenue Losses Incurred by Selected State Departments during the Fiscal Year 1970-1971 as a Result of Exemptions, Credits, Allowances, and Refunds.

This Memorandum is concerned with the amount of money lost through the granting of exemptions, credits, allowances, and refunds during the fiscal year 1970-1971. The following figures are approximations or estimates taken from memoranda provided by the Louisiana Departments of Revenue, and Commerce and Industry.
I appreciate your consideration in this matter.

Very truly yours,

B. Roy LaBesse

WILKINSON, CARMODY & PEATROSS
ATTORNEYS AND COUNSELORS AT LAW
SHREVEPORT, LOUISIANA 71166

June 11, 1973

The Honorable B. B. Rayburn, Chairman
Committee on Revenue, Finance and Taxation

606 Avenue B
Bogalusa, Louisiana 70427

RE: Maintenance of Constitutional Exemption
for Charitable Undertakings and Institutions

Dear Senator Rayburn:

On March 31, 1973, on behalf of The Sisters of Charity of the Incarnate Word of Louisiana, who own and operate the Schumpert Memorial Hospital, Shreveport, Louisiana, Robert DeBacker and the undersigned appeared before you in public session urging specific exemption of charitable undertakings similar to the Schumpert Memorial Hospital. Enclosed is a copy of our statement.

The lawsuit mentioned in the accompanying statement has been filed and trial probably will be held in the fall term of Court.

Article X, Section 4 of the present Louisiana Constitution provides in pertinent part:

"Article X, Section 4. Tax exemptions

"Section 4. The following property, and no other, shall be exempt from taxation:

"1. Public property. All public property.

"2. Religious, charitable and educational property. Places of religious worship, rectories and parsonages belonging to religious denominations and used as places of residence for ministers; places of burial; places devoted to charitable undertakings, including that of such organizations as lodges and clubs organized for charitable and fraternal purposes and practicing the same; schools and colleges; athletic or physical culture clubs, associations or organizations having and maintaining active membership of not less than one thousand members, being non-profit sharing organizations, holding, in equipped gymnasiums, physical development classes open to all members daily, except Sundays and holidays, under supervision of regular physical directors, with juvenile and junior classes, promoting, in all ages above eight years, physical and health development; but the exemptions shall extend beyond property, and grounds thereunto appurtenant, used for the above mentioned purposes, and not leased for profit or income (emphasis ours.)"

We strongly urge that a non-proprietary hospital, and certianly a charitable, non-profit, religious corporation owned and operated by a religious order of nuns who devote their lives to the care of the infirm with no income derived thereby, is a charitable institution worthy of an exemption which has been in force for over half a century.

Senator B. B. Rayburn
Louisiana State Senate
606 Avenue B
Bogalusa, Louisiana 70427

June 8, 1973

Page Two

WILKINSON, CARMODY & PEATROSS

June 11, 1973
In assessing the Schumpert Memorial Hospital, Shreveport, Louisiana, for the first time as a non-exempt holding, the Caddo Parish Assessor points to the collection of "fees" as a basis for assimilating Schumpert Memorial Hospital to the doctor-owned, chain or other proprietary profit hospital. This specious argument ignores the charitable services the order of religious nuns provides to citizens of Louisiana and particularly those in the Shreveport-Bossier area. Neither Louisiana assessor has placed hospitals on the tax rolls. No other hospital or orphanage run by the same Congregation in Texas, Arkansas, Oklahoma, Texas, or California is so taxed.

Accordingly, we enclose suggested language in draft form for effecting the exemptions outlined above. If we can be of further assistance to the committee, we will be glad to do whatever is necessary or appropriate.

Yours very truly,

WILKINSON, CARMODY & PEATROSS

By

Samuel W. Caverlee

SNC Oct

Enclosures

WILKINSON, CARMODY & PEATROSS

Page Three
June 11, 1973

Article 10, Section 4, Louisiana Constitution

Section 4. The following property, and no other, shall be exempt from taxation:

1. Public property. All public property.

2. Religious, charitable and educational property. Places of religious worship, rectories and parsonages belonging to religious denominations and used as places of residence for ministers; places of burial; places devoted to charitable undertakings, including that of such organizations as lodges and clubs organized for charitable and fraternal purposes and practicing the same. (**)

(**) ADDITION OF ONE OF THE FOLLOWING:

"and such organizations as hospitals"

"and such organizations as non-profit, non-proprietary hospitals"

"and such organizations as non-profit, non-proprietary, religious hospitals"

schools and colleges; athletic or physical culture clubs, associations or organizations having and maintaining active membership of not less than one thousand members, being non-profit sharing organizations, holding, in equipped gymnasiums, physical development classes open to all members daily, except Sundays and holidays, under supervision of regular physical directors, with juvenile and junior classes, promoting, in all ages above eight years, physical and health development; but the exception shall extend only to property, and grounds thereunto appurtenant, used for the above mentioned purposes, and not leased for profit or income.

(Additions ours.)

Dr. Claude Mauberret, Jr.
218 North St. Patrick St.
New Orleans, Louisiana

Dear Claude:

I have just looked at the Assessors' plan for the Constitutional Convention. Frankly, this disturbs me quite a bit. I do not think a homeowner whose house is worth $75,000 or $90,000 should not pay property taxes. I have a rather modest office building that is worth possibly $75,000. The new proposal would mean that I would pay half taxes on this and a man who is worth $1,000,000 with a $100,000 home would pay no taxes. Anybody who has a $100,000 home is bound to have a little chunk of cash, and a pretty good income to keep it up.

So far as the classification, generally speaking, of 1/3 market value, I think that is reasonable and is about what we have now on a State-wide average. Also, I think the local Assessor should be given a good deal of leeway in classifying property and setting values. As a matter of fact, in my 40 years experience in practicing law, our local Assessor has never been overruled by the Tax Commission on any value, except in two instances when Huey Long was Governor.

However, I certainly am not in favor of a person with a $100,000 home getting by without paying any taxes, whereas, I have to pay taxes on a $75,000 office building, where I make my living. Also, in the country, we have a lot of small merchants who own a little store in the country, either in Shreveport or in towns and villages throughout the parish. They will be assessed at 1/3 of the value of their store and 1/3 on the inventory of goods. A country storekeeper may not net over $300 a month, plus a few groceries that he takes home to his family. He would be paying ad valorem taxes and a man with a $100,000 mansion and an income of probably $50,000 a year would pay none. This is not right. I am surprised that assessors, such as Chehardyرام this down our throats.

I do wish that you, as a member of the Constitutional Convention, would speak out against this plan. I simply do not think it is fair. I am not arguing for big business one way or the other. I am arguing for the little...
tax roll and the revenue sharing and special appropriations, etc.

I am writing you because I think it is necessary that we take into consideration the fact that beginning this year, there will be no funds available from the State or otherwise to satisfy any change orders that might issue from your office after your tax roll has been filed and approved by the Tax Commission and turned over to this office for collection.

As you know, last year (1972) the total revenue sharing and special appropriations was $1,726,572.00. The homestead roll filed by you was $1,601,922.46 which caused a deficit of monies to cover the aforementioned roll in the sum of $75,350.46. Subsequently, after the roll was filed we received change orders in the amount of $42,236.95 of which we were able to satisfy from the 3 1/2 mill tax we collect from the State and which they did not receive this year, but which we held in escrow to satisfy the adjustments. The money left over from the taxes was turned over to the Police Jury in the sum of $89,245.48. Anticipating the tax roll that probably will be filed this year, I estimate that based on your conversation with me last week, an increase of $100,252.08 or a probable tax roll of $1,902,174.54. This could

Page 2
Mr. Wascom

vary of course and I understand this.

I want to bring to your attention the actual 1973 revenue sharing appropriation is $1,568,789.00 plus a supplemental appropriation of $187,133.00 or a total appropriation of $1,755,922.00. Subtract this from the estimated tax roll and the projected shortage to all taxing bodies will be $186,232.54.

As mentioned above there will be no monies from the State or due the State and there is no way for this office to honor any change orders after the roll is filed. I am asking that you take note of the above problems and if you desire I will be glad to meet with you to discuss the problems.

I am suggesting that once the roll is filed this should also be the cut off date for any homestead exemption to be filed. Of course, this is your prerogative and I recognize this, but at the same time this office will be unable to honor any such change orders.

With kindest personal regards, I am

Very truly yours,

George A. Broom
Sheriff, St. Tammany Parish

(a) 1973 Homestead exemption tax roll filed
   
(b) 1973 Revenue sharing received
   
(c) 1973 Revenue short to all taxing bodies for 1973

1972 $1,601,922.46
1972 $1,726,572.00
1972 $75,350.46
1972 $124,482.43
1972 $42,236.95
1972 $82,245.48

(a) 1973 Homestead exemption tax roll filed
   
(b) 1973 Revenue sharing received
   
(c) 1973 Revenue short to all taxing bodies for 1973

1972 $1,601,922.46
1972 $1,726,572.00
1972 $75,350.46
1972 $124,482.43
1972 $42,236.95
1972 $82,245.48

MILLING BENSON WOODWARD HILLER & PIERSON
ATTORNEYS AT LAW
1224 MAGUIRE
NEW ORLEANS 70012
Telephone: 525-0500

July 27, 1973

Senator B. B. Rayburn, Chairman
Revenue, Finance and Taxation Committee
Louisiana Constitutional Convention of 1973
P.O. Box 10499
Baton Rouge, Louisiana 70823

Dear Senator Rayburn:

I respectfully urge you that the tax exemptions now allowed by subsections 19(a), (b) and (c) of Section 4, Article X of the 1921 Constitution be retained.

I have prepared a proposed revision thereof, materially shortening them while retaining their substantive meaning, a copy whereof is hereto attached, marked Exhibit "A". It provides all of the coverage and grants no greater exemptions than do the present provisions, but, I submit, is preferable not only because of the style and syntax, but because of its brevity.

While I have been appointed to represent the Chamber of Commerce of the Greater New Orleans Area in making this presentation, it is in reality the people of Louisiana that I believe will benefit most from the retention in the Constitution of these subsections.

This firm has participated in acquiring the property and planning for the construction of a great many large national concerns that have never fit to come into Louisiana. Some of my partners and I have collaborated in assembling the facts predicated upon which a determination has been made by various national concerns as to whether or not they would locate in the State of Louisiana or elsewhere. The criteria which their planners use in determining the location of a plant give very high priority to permanent advantages, which includes not only port and rail facilities and adequate supplies of fresh water, but stability of political environment and tax structure. It is in the latter two which are of extreme importance, for there are infinite locations in this country that provide all of the physical attributes mentioned initially. In the past, political stability has not been one of Louisiana's strong points but by having our tax exemptions in the Constitution, the corporate planners are tremendously impressed that they will not have to fight attempts each year or two in the Legislature to protect their huge investments which, when once constructed, seem to be an attractive target for those short-sighted individuals who place the immediate need for tax dollars ahead of the overwhelming advantages provided

Senator B. B. Rayburn, Chairman

Page 2
July 27, 1973
by long range industrialization. Those who seek to alleviate the always crying need for more tax income do not realize that by shutting off the flow of construction dollars for new plants they eliminate the less gradual but tremendously productive long range flow of more home construction, commercial establishments, transpor-
tation revenues and ancillary satellite establishments brought in because of the existence of the larger industries, which so materially broaden the tax base in every direction.

Any statesman with basic knowledge of industrial and population movement, recognizes that it was the adverse tax and labor climate in the northeastern part of this country that has resulted not only in the discontinuance of locating of many new industries in that area but in the actual abandonment of existing plants and their location in the South.

We all know that there has been an influx of industry into Louisiana and that its port outdistances those of other states in growth in the last decade. It is impossible to prove that industry came here as the result of the tax exemptions in question but I can unequivocally state that I know, of my own knowledge, of several that came because this exemption tilted the scales toward this State. And while we cannot prove that the increase in commerce moving into our ports resulted from these exemptions, it is undoubtedly true that the tonnage imported by the industries I have mentioned contributed somewhat to the increase and the fact that our increases were greater proportionately than other ports similarly situated is indicative of this fact.

I am attaching a single chart, marked for identification Exhibit "B", which shows the tax incentives granted to industry by all the fifty states. You will notice that it clearly shows that forty out of the fifty have exempted both taxes on industry and goods in transit, and the tax on raw materials used in manufactur-
ing.

Louisiana has the other attributes to attract industry. I respectfully submit that tax stability will attract more and retain those that we have, and as the result the State will

prosper, labor will be greatly benefited, and the tax revenues of the State and its political subdivisions will increase.

Respectfully submitted,

[Signature]

M. Truman Woodward, Jr.

M. Benson Woodward, Jr.

PROPOSED SUBSTITUTION FOR SUBSECTION 19(a), (b) AND (c) OF SECTION 4, ARTICLE X OF THE 1921 LOUISIANA CONSTITUTION RELATING TO TAX EXEMPTIONS:

19(a) All raw materials, goods, commodities, articles and agricultural products either in bulk, or in bales, sacks, barrels, boxes or other original containers, imported into this state from, or held for export to a point, outside of the continental United States, so long as the same: (1) re-
main upon the public property of a port authority or docks of any common carrier, or in a warehouse, grain elevator or public storage facility in this state; or (2) (exclusive of minerals and ores of the same kind as any mined or produced in this state and manufactured articles) are held in this state in the original form by an importer, other than a retail merchant holding same as part of his stock in trade for retail, or are held as a part of the new material inventory of a manufactuer or processor solely for manufacturing or processing.

19(b) All goods, commodities and personal property mov-
ing in interstate commerce through this state, or having been shipped into this state, are being held for shipment to another state whether the destination is specified when transportation begins or afterwards.

All such property entitled to exemption shall be reported to the proper taxing authority on the forms required by law.

EXHIBIT 'A'

Senator B. B. Rayburn
July 27, 1973
Page 3
OTHER LAWS-

TAX INCENTIVES FOR INDUSTRY-

Alabama
Alaska
Arizona

Arkansas
California

Colorado
Connecticut

Delaware
Florida

Georgia

Hawaii
Idaho
Illinois

Indiana

Iowa

Kansas
Kentucky
Louisiana

Maine
Maryland
Massachusetts

Michigan

Minnesota
Mississippi

Missouri

Montana
Nebraska

Nevada
New Hampshire

New Jersey
New Mexico
New York
North Carolina
North Dakota

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Pennsylvania

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WHEREAS, the Justice of the Peace and Constables at its meeting on August 29, 1973, at the City Hall in Jena, Louisiana, directed the Property Tax Plans to be presented to the CC 73, and

WHEREAS, the two Property Tax Plans that would be most equitable and best for the people of the State of Louisiana, would be either the Assessors Plan or the Chehardy Plan on Property Tax, and

WHEREAS, the Justice of the Peace and Constables request the Chair-
man, Senator B. B. Rayburn to pursue to the best and fullest efforts, to get the Assessors Plan or the Chehardy Plan on Property Tax accepted by the Delegates of the CC 73, and

WHEREAS, the Justice of the Peace and Constables are the closest elected official to the every day problem in the everyday community and have knowledge from conversation from the every day people that either the Assessors Plan or the Chehardy Plan on Property Tax would be best for all of the people of Louisiana,

NOW THEREFORE BE IT RESOLVED, that the Chairman, Senator B. B. Rayburn, be requested to so express the wishes and wisdom of the Justice of the Peace and Constables to his Committee on Tax and Revenue and also that the Chairman be requested to express the same to the Delegates of the CC 73, and

BE IT FURTHER RESOLVED, that the Chairman, Senator B. B. Rayburn, work diligently and hard before the CC 73 and his Committee, for the acceptance and passage by an overwhelming majority of either the Assessors Plan or the Chehardy Plan on Property Tax, and

BE IT FURTHER RESOLVED, that a copy of this resolution be distributed to all Committee Members on Tax and Revenue and all CC 73 Delegate members.

Willard Enterkin
Justice of the Peace
Lee C. Russell
Justice of the Peace
C. L. Hitt, Jr.
Justice of the Peace
Jimmy Gaylor
Constable
J. A. Bob Wilkes
Justice of the Peace

RESOLUTION

The Louisiana Department of The American Legion has learned that there has been some discussion within the Committee on Revenue, Finance and Taxation Constitutional Convention presently convened as to whether to delete the provisions of veterans tax exemptions provided in Article 10, Section 4 of the present Louisiana Constitution of 1921, be amended.

The 50,000 members of the Louisiana Department of The American Legion urge the Constitution Delegates not to delete or diminish in any way the preference and tax exemption which are provided in the present constitution for veterans and their dependents.

The veterans of Louisiana have served their country and state with pride and distinction whenever called upon to do so. No one loves peace more than the men and women who have served this country during the time of conflict or war in its history.

But, as our country now hopefully moves toward an era of peace, let us not forget the deeds and accomplishments of these men and women by taking from them the preference and tax exemption which the citizens of this state have afforded them through the years.

Thank you for your kind consideration of this matter.

Respectfully yours,

Mr. Benjamin B. Rayburn, Chairman
State House, 79. Department Commander

Louisiana Justice Of The Peace And Constables Association
P. O. BOX 372
METAIRIE, LOUISIANA 70003

September 7, 1973

Honorable B. B. "Sixty" Rayburn
Senator
Chairman, Taxation & Revenue Committee of CC 73

Bogalusa, Louisiana 70427

Dear Senator Rayburn:

At a meeting of the Justice of the Peace and Constables on August 29, 1973, at the City Hall in Jena, Louisiana, a discussion was had on the proposed property tax plans to be presented to the CC 73 for their approval. A resolution was presented and duly second and unanimously passed, that the Justice of the Peace and Constables present a copy of the following resolutions to the Chairman of the Revenue and Taxation Committee, Senator B. B. Rayburn, and that the Chairman be requested to read said resolution to his committee and further that the chairman be requested to also inform the members of the CC 73 by presenting copies or in any other way he may deem feasible.

Sincerely,

J. A. Bob Wilkes
President

JABW/eb

Important Update: Property Tax Exemption

The majority of the members of the Constitutional Convention's Committee on Revenue, Finance and Taxation have reported to us that they favor certain tax exemptions, including exemptions for churches, schools, hospitals and certain other institutions and organizations.

It is important for you to read this entire memorandum in order to fully understand what has transpired since our memo of August 23.

In that earlier communication we reported that the Committee had sent to the Convention floor a proposal which excluded all exemptions save those on homesteads.

Assessor Lawrence Chehardy of Jefferson, Sen. B. B. Rayburn of Bogalusa and other Committee members contacted the Catholic Conference staff and reported that it was never their intention to exclude churches, schools and the like from tax exempt status. The Committee staff, however, had not recorded with the Convention a vote in favor of exemptions - a vote the Committee took to be official, though staff disagreed on the technical question of whether the Committee action was superseded by the vote on the "no exemption" plan.

At any rate, the Committee will be meeting again in the near future and the majority said they favor the following proposal as relates to churches, schools, etc.

"(C) Places of religious worship; property owned by religious denominations and used as residences for ministers, places of burial, and property held by any religious denomination or nonprofit corporation or organization for burial purposes, but the exemption shall not apply to unsold lots, crypts, or places for burial, nor shall it apply for property held for development or for burial, when so held for profits, or as places for burial, until sold or disposed of. This exemption shall be extended only to property or grounds therein appurtenant, used for the purposes above mentioned, and not leased for profit or income."

You will notice that this language does not include exemptions for "...nursing homes, homes for the aged, convalescent and rehabilitation facilities, institutions for treatment, rehabilitation and care of the physically and mentally handicapped or retarded, orphanages, children and/or day care centers, and any other nonprofit institution as defined herein, which may be licensed or subject to license or supervision by the State of Louisiana."

Sen. Rayburn has assured us that all interested parties will be notified in advance of hearing dates on the tax exemption plan. We will notify you also for your immediate response and action.

Upon recommendation of Rep. Eddie LeBreton, Emile Comar has been appointed to succeed LeBreton as the Constitutional Convention delegate from House District 22. Emile is staying at the White House Inn, Room 722 - (504) 414-0111.
Dear CC-71 Delegate:

We earnestly request your support for Historic Preservation in Louisiana.

Constitutional status has been the bane of the Vieux Carré for the past 19 years. Vital decisions in the courts (even the Supreme Court) have hinged on constitutional arguments, not merely on State laws and local ordinances. Constitutional disregard is necessary for the protection of landmarks throughout the State against the encroachments of ill-guided progress and insensitive legislation.

Section 19 of the report of the Committee on Local and Parochial Government will soon come up for consideration. Please support it, and an amendment to be offered by Mr. Derbes of District 94, which includes most of the Vieux Carré. "C. Historic preservation districts in existence at the time of adoption of this constitution are hereby ratified and confirmed."

Preservation is not merely a zoning function, nor is it one of the ordinary police powers of a municipality.

The clause of Section 19 will aid immeasurably the cause of historic preservation throughout Louisiana. The Vieux Carré would remain protected, but without the cumbersome detailed language in the present constitution.

Don't gamble with Louisiana's heritage! Protect Louisiana's architectural and cultural history from extinction!

Most sincerely,

[Signature]

George M. Locke, President
Louisiana Landmarks Society

September 21, 1973

The Honorable B. B. "Sixty" Rayburn
606 Avenue B
Bogalusa, Louisiana 70427

Dear Mr. Rayburn:

Delegate Proposal No. 30 would abolish the Orleans Levee Board and give its functions to the City Council of the City of New Orleans. This would mean that levee needs would have to compete with the needs of law enforcement, street repairs, garbage pick-up, as well as those of a cultural nature. Levees would lose and the people would be the losers.

We are in favor of the proposal of your Local and Parochial Government Committee. This Committee, after hearing much testimony and giving much study to the matter, produced a section on levee boards that is good for the State. Delegate Proposal No. 30 would change this.

Please vote against Delegate Proposal No. 30 and against any proposal that would weaken the levee board system in Louisiana.

Sincerely,

[Signature]

GFL/jeh
September 30, 1973

Senator R. H. Ravburn, Chairman
Revenue, Finance and Taxation
Independence Hall,
1973 S. 3rd St.,
Baton Rouge, La. 70802

Dear Senator,

I suppose my good friend Mr. Champagne ( WALTER) has already told you my reason for not appearing before your committee, I fully appreciate the courtesy you extended to me through Walter, and for that I thank you. I have since heard, however, that you did include Stocks and Hods with the other religious exemptions and this will not require me to be taxed more than once for my shrimp boat and liquor store ( I also sell a few other things ). I do want to say, however, that Dan has always been more than fair, like all missionaries, in taxing our shrimp boat and other things and I am sure you have all found him to be a very fine gentleman. He has impressed me even more since he was able to get shrimp boats on the list.

I feel the poor people are very well represented on your committee. I see and hear a lot about the real big man with a real big heart for the poor people as well as his friend from the same parish who is the son of a fisherman. I think Walter's wife with the curly hair is real cute. He has curly hair just like his son Paul. I also read that you were forth poor man, the working man, the farmer, and the fireman and policeman. I want to thank you because I too am for the poor people. That is so nice. After all, there are so many more poor people around than rich ones and I imagine it seems in handy around election time.

Sincerely yours,

[Signature]

October 15, 1973

Dear Delegate:

The Louisiana Troopers' Association asks that you consider approval of the proposal which places the authority for salary increases for State Police personnel in the legislature. An amendment to Civil Service Proposal 9 will be introduced by Mr. Bobby Flory.

In 1972, the legislature passed a bill to increase the salary of State Police personnel, but Civil Service refused to implement this increase. We believe that if the legislature, acting as the voice of the people of this State, passers a salary increase, then no board, commission or other state agency not answerable directly to the people should be permitted to veto this action. In the instance above, the people of this State, through their elected representatives stated that they felt the State Police deserved to be better paid for their services. Perhaps they believed that Louisiana should not be last in pay for police personnel. According to the 1972 TACP Comparative Data Report, the Louisiana State Police rank 49th of the 52 State Police and Highway Patrol agencies in salary.

We, of the Louisiana Troopers' Association, have been working to upgrade the services provided by the State Police to the people of this State. How can we possibly provide the best when we are not competitive with the other State Police agencies in pay? In fact, when we are not competitive, interstate with our local police and sheriff's departments. Since these local agencies receive the state supplemental pay, they practically all earn more than a trooper of the same seniority.

We are not asking to become uncivilized, we prefer to remain under Civil Service as long as they cannot obstruct the will of the people and the legislature of this State. Your assistance in this matter will be deeply appreciated by the members of the Louisiana State Police.

FOR THE ASSOCIATION

[Signature]

Mr. Robert Photaxis, President
B. General Correspondence

STATE OF LOUISIANA CONSTITUTIONAL CONVENTION OF 1973 P O BOX 4475 BAYOU BENGAL LOUISIANA 70890

March 5, 1973

Honorable Joseph N. Traigle
Collector of Revenue
State of Louisiana
Capitol Annex, Room 402
Baton Rouge, Louisiana 70804

Dear Mr. Traigle:

Within approximately two weeks the Revenue, Finance and Taxation Committee of the Constitutional Convention will meet to consider needed reforms of constitutional and statutory provisions regarding the areas of revenue, finance and taxation.

As Senior Research Assistant for this Committee, it is my duty to pinpoint for the Committee's consideration those areas where reform might be justified.

The purpose of this letter is to seek the assistance of the Department of Revenue for suggestions regarding reform in the areas of revenue, finance and taxation. At your earliest convenience, would you please circulate an inter-departmental memorandum asking that Revenue Department personnel (especially departmental directors) submit recommendations as to needed reforms in the areas of revenue, finance, and taxation?

Since the Committee wishes to meet very soon, probably there will not be enough time to formulate detailed recommendations. Therefore, if departmental directors and other personnel simply could list areas possibly needing reform, then we could work together at a later date as to the details. For example, a listing might be whether or not there

MINOR: Be 100% property tax assessment. If time permits, the pros and cons regarding various issues could be submitted at a later date, or perhaps departmental personnel could work with us as to details.

Since the Committee on Revenue, Finance and Taxation wishes to meet within two weeks, this information (at least as to listing of areas of needed reform) should be submitted no later than Monday, March 12, 1973, at 4:30 p.m. If convenient for you, I will be at no trouble for me to pick up these materials at your office.

My past experience with the Revenue Department affords satisfaction in believing that no organization, public or private, has personnel more dedicated or more qualified. Thus, the assistance of your department certainly would be an asset to the Constitutional Convention of 1973, especially the Committee on Revenue, Finance and Taxation.

If you have any questions, please contact me at 389-5014. Thank you.

Very truly yours,

James A. Norris, Jr.

MEMORANDUM TO:

Mr. Jamie Hill
Executive Assistant
Re: Constitutional Convention of 1973
Revenue, Finance, and Taxation

The following comments concerning the above-captioned matter are submitted in response to Mr. Norris’ letter to Mr. Traigle dated March 5, 1973, wherein he requests that the Department furnish suggestions as to areas of possible reform:

1. Should the income tax rate structure (maximum) including the bracket from which the personal exemption and dependency credits are to be deducted be in the Constitution? Inflexibility in this area might simplify the reporting more difficult.

2. Should the State be authorized to adopt by reference any tax provisions of the Internal Revenue Code, such as definitions of net income, adjusted gross income, deductions, dependency credits, etc.? This is important for a number of reasons, one of which is the enactment of the “Federal State Tax Collection Act of 1975” (Public Law 93-533, Title II). If the answer to (2) is in the affirmative, should the authorization to adopt provisions of the Internal Revenue Code by reference also extend to future changes in the Internal Revenue Code?

3. Should the State be authorized to levy its income tax as a percentage of the Federal income tax?

4. Should the State be authorized to enter into an agreement with the Internal Revenue Service to permit the Internal Revenue Service to administer our income tax law (or portions thereof)?

5. Should Section 19 of Article 19 of the Constitution concerning the prescription of tax claims be clarified? At the present time it does not provide means for the interruption or suspension of prescription. These are now contained in the statutes. Should the status of tax judgments and tax assessments be clarified from a prescriptive standpoint? Do they have to be renewed every 10 years to remain valid?

6. Should constitutional provisions contain a provision to the effect that statutory changes in tax provisions in order to be effective must be made in the form of amendments to the tax statutes to which applicable? At the present time some statutory changes contain tax provisions which are not related back to the tax provisions which they modify.

7. Should constitutional withholding tax collections for cost of administration be retained?

8. Should constitutional dedications of tax collections be retained?

9. Not directly related to the question of taxes but nevertheless important from an administrative standpoint is this question - should the constitutional provisions which control Civil Service be more flexible? Should the State be able to hire graduates from accredited universities without their having to take a Civil Service test if they meet certain academic standards, such as finishing in the upper one-third of their class?

In general terms it is my view that constitutional provisions should be more in the nature of enabling rather than mandatory provisions. I feel that matters such as exceptions can best be handled by statute. Of course, I do understand that there may be some inclination to set some upper limits in new areas of taxation.

March 12, 1973

Page 2
The above comments have been limited to those taxes which fall in the consumer group and have also been limited to constitutional considerations. Statutory reform has not been discussed.

Pursuant to the request of Mr. James A. Norris, Jr., dated March 5, 1973, we wish to advise that the following changes and reforms in statutes administered by the Severance Tax Division should be considered by the captioned Committee:

A. Article X - Revenue and Taxation

Section 1. Taxing power; specific taxes

Severance Tax on timber

Determine average stumpage value on second Monday of each December instead of the second Monday of January.

Reason: Numerous timber severance taxpayers are purchasers of timber. Currently, tax rates are not determined and published until 2 weeks after calendar year begins. Purchaser withhold taxes based on previous year's tax rate for those two weeks and usually must bear an increase in taxes for that period. A change in date of value determination would enable purchaser to withhold correct amount of taxes at beginning of calendar year.

B. The rates of tax on timber, levied in R.S. 47:933 (1), (2), (3), (4), (5), (6), are in conflict with Article X of the Constitution.

C. Article X, Section 26

Manufacturer's 6c Tax Credit

Provide that warrants will be issued by the Collector of Revenue for presentation to the State Treasurer for satisfaction, in lieu of issuing tax credit warrants in satisfaction of any tax or combination of taxes owed by the municipality.

Reason: If warrants are paid payable to the municipality, rather than the various taxing authorities within the state, the municipalities would be assured of receiving full payment of monies due. Some cities do not incur enough tax liability to receive full benefits allowed.

Mr. Joseph N. Traigle
March 8, 1973

Page 2

D. Article X, Section 21

Severance tax on natural resources

Change basis of tax from 'severance' to 'production'. Allow provisions to predicate tax on quantity or gross value of production.

In absence of above change, re-word present article to provide for tax on quantity or gross value of the products at time and place of severance.

Reason: Administrative. A tremendous task force of auditors would be required to verify any cost deductions taken from gross value. Tax is presently based on value at the wellhead. A change would allow for taxation on value at point of sale.

I would be happy to discuss the above with you or any other concerned person at your convenience.

Sincerely yours,

Mr. James A. Norris, Jr.

Preston L. Carpenter, Director

Beverage & Tobacco Tax Division
In reply to letter dated March 5, 1973, received from the Finance and Taxation Committee of the Constitutional Convention, the following constitutional and statutory reforms relating to the Petroleum Division are recommended.

If the 1 cent gasoline tax is to remain in the Constitution, Article VI-A, Section 2 should be amended to conform with recently amended R.S. 47:721B.

R.S. 51:796 which levies a 1/32 of a cent inspection fee should likewise be amended to conform with 47:721B.

R.S. 47:721B should be amended so as to more clearly define the terms "bonded wholesaler or jobber" and "bonded manufacturer."

R.S. 47:719 providing for a 3% allowance should be corrected so as to be more consistent with the tax reporting requirements in 47:721B.

The attached photo copy of letter recently submitted to the Legal Division will more fully explain the reasons for the suggested Constitutional revisions and/or remedial legislation.

MEMORANDUM
February 6, 1973

MEMORANDUM TO:
Mr. J. Peyton Parker, Jr.
General Counsel

Re: Corrective Legislation Pertaining to Gasoline Handling Allowance

Attention: Mr. J. Byron Stringer
Attorney

In your letter of January 13, 1973, it is stated that you intend to submit our suggestions for corrective and remedial legislation to the Legislative Council. We believe it will be beneficial for them to know the reasons leading up to the confusion that currently exists with respect to the amendments to 47:719 and particularly 47:721B. For almost forty years prior to the 1972 session of the Legislature, the 1 cent gasoline tax as levied under Article 6A, Section 1 of the Constitution and 3 cents taxes levied under 47:719 were due and payable by the first handler, that is the importer of the manufacturer, the Constitution and the statutes referred to such taxpayers as dealers, Act 463 of 1964 amended and re-enacted 47:721 by allowing wholesalers or jobbers under certain conditions to pay the 3 cents statutory taxes directly to the Collector instead of to the manufacturer or importer. From 1964 until the 1972 session, only 27 jobbers or wholesale dealers elected to avail themselves of this permission and the administrative problems were minimal.

In the 1972 session, 47:721B was again amended and re-enacted to liberalize the conditions under which jobbers or wholesalers could qualify to pay their own taxes and 47:719 was amended and re-enacted to eliminate the 3% allowance to importers or manufacturers (dealers) on the tax levied under 47:711B, it was retained insofar as wholesalers and jobbers were concerned. Prior to this amendment to 47:719, the dealers usually passed the 3% allowance on to most bulk purchasers. As a result of this legislation, many wholesalers, jobbers and various other operators applied for authorization to purchase gasoline without payment of state tax or in order to take advantage of the 3% allowance which incidentally, amounts to $120 on each 100,000 gallons purchased.

As of January, 1973, we have authorized 160 wholesalers or jobbers to pay their own taxes, but have denied about 5 others who, in our opinion, do not meet the conditions set forth in 47:721B. To forego the likelihood of litigation that will be instituted by those to whom authorization has been denied, we ask that an effort be made to clarify the term "bonded manufacturer" and "bonded jobber" and that the 3% allowance hereinafter granted to dealers be at least partially restored to avoid the ever increasing number of jobbers applying for authorization to pay their own taxes.

On August 24, 1972 rules and regulations were promulgated in an attempt to clarify the terms bonded manufacturer and bonded jobber or wholesalers, but it is likely that they will be held to be inconsistent with the statutes or that the Collector has assumed powers belonging to the Legislature. Photo copy of the regulations is attached.

We believe it would be helpful to change the wording in the last paragraph of 47:721B(c) and the following is recommended:

Nothing in this sub-section shall apply to consignees or commission bulk agents, or to jobbers or wholesalers whose principal business is retailing gasoline or other motor fuels through the medium of service stations owned or operated by themselves on a salary or commission basis. The sole meaning and intent is to permit bona fide jobbers of gasoline or other motor fuels under the enumerated conditions

Mr. J. Peyton Parker, Jr.
General Counsel

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The 1 cent tax levied under the provisions of Article 6A, Section 1 of the Constitution and the inspection fee under 51:796 were not similarly amended. Consequently, the jobbers who qualify are now paying the 7 cents taxes, but the dealers

Mr. J. Peyton Parker, Jr.
General Counsel

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must still pay the 1 cent tax and the inspection fee.

Although this department was not in favor of the 1964 amendment, it would seem logical that if jobbers or wholesalers are permitted to purchase gasoline without payment of the 1 cent Constitutional tax and the inspection fee as well, A schedule indicating the revenue consequences of various allowances applicable to both dealers and jobbers is attached.

Would like to discuss these matters with you before your meeting with the Legislative Council.

Malcolm D. Brunerfeld, Director
Petroleum Products Tax Division

RWH:01

Attachments
PROJECTED EFFECTS OF CHANGES IN R.S. 47-719

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*up to 200,000 gallons
Pursuant to the authority vested in me by law in Louisiana Revised Statutes 42:1511, the following regulation is hereby promulgated:

1. WHOLESALE OR JOBBER

A bona fide wholesaler or jobber means any person, firm, corporation or association of persons whose principal business is purchasing gasoline or other motor fuels in bulk quantities from unrelated or unaffiliated bonded manufacturers for subsequent sale to unrelated or unaffiliated retail dealers and industrial or commercial consumers. There must be title transfers from the manufacturer to the wholesaler or jobber and from the wholesaler or jobber to the retail dealer and/or the industrial or commercial consumer. The term bona fide wholesaler or jobber is not to be construed so as to include consignees or commissioned agents who merely have custody of gasoline or other motor fuels belonging to manufacturers. Louisiana R.S. 47:2218 is not to be deemed to include those who principally obtain gasoline and other motor fuels from bonded manufacturers in bulk quantities and make deliveries directly to their customers where no losses can occur.

Louisiana R.S. 47:2218(1) is to be construed as meaning that the wholesaler or jobber maintain a bulk plant in Louisiana at which there are storage facilities of 50,000 gallons or more and actually used for the storage of gasoline and other motor fuels.

II. The provisions of R.S. 47:2218 are not applicable to bonded wholesalers or jobbers who obtain gasoline or other motor fuels outside this state on a F.O.B. point of origin basis.

Under these circumstances a dealer as defined in 47:712 applies and the tax collectible under the provisions of 47:2218.

III. BONDED MANUFACTURER

The term bonded manufacturer is deemed to be any person, firm, corporation or association of persons who meet the definition of a dealer as defined in 47:712, has posted a surety bond as required by 47:725 and file monthly motor fuels tax reports in accordance with 47:722.

IV. Authorization to qualified wholesalers or jobbers to make tax-free purchases from a manufacturer shall commence on the first day of the month following the month in which a surety bond is received and accepted.

Baton Rouge, Louisiana, August 24, 1972.

[Signature]
Joseph M. Traigle
Collector of Revenue
State of Louisiana
April 2, 1973

The Honorable B. E. Rayburn
State Senator
Bogalusa, Louisiana 70427

Dear Senator:

As a member of the Special Revenue Sharing Committee, I hope that you, in your final decision on a formula, will include all municipalities as they need this help.

Thanking you, I remain,

Sincerely yours,

R. E. Hageman, Mayor
20F/jn

City of Pineville
Pineville, Louisiana 71359

April 19, 1973

Special Revenue Sharing Committee
State of Louisiana

Gentlemen:

I would like for you as a committee member on the Special Revenue Sharing Committee to please be considerate of the needs of the cities who are agents of the state, trying to perform state functions.

We solicit your whole-hearted support in what every effort you might make on behalf of the cities of this great state.

We want to say in closing that we appreciate the great effort put forth by your committee and we hope that your efforts will be rewarded and your recommendations considered.

Sincerely yours,

[Signature]

PINEVILLE, LOUISIANA

TO: Delegate Conroy
DATE: April 25, 1973

FROM: Research Staff
Revenue, Finance and Taxation

Re: (1) List of constitutional provisions of recently adopted Kentucky Constitution regarding revenue, finance and taxation.
(2) Explanation of workings of Kentucky System; solution to property tax problems similar to Louisiana's.

1. Constitution of Kentucky

169. Fiscal year.

170. Property exempt from taxation; cities may except factories for five years.

171. State tax to be levied; taxes to be levied and collected for public purposes only and by general laws, and to be uniform within classes; classification of property for taxation; bonds exempt; referendum on act classifying property.

172. Property to be assessed at fair cash value; punishment of assessor for willful error.

173A. Assessment of farm land according to value for farm purposes.

173. Officer receiving profit on public funds guilty of felony.

174. Property to be taxed according to value, whether corporate or individual; income, license and franchise tax.

175. Power to tax property not to be surrendered.

176. Commonwealth not to assume debt of county or city; exemption.

177. Commonwealth not to lend credit, nor become stockholder in corporate, nor build railroad or highway.

178. Law for borrowing money to specify purpose, for which above money may be used.

179. Political subdivision not to become stockholder in corporation, or appropriate money or lend credit to any person, except for roads or State Capitol.

180. Poll tax; act of ordinance levying any tax must specify purpose, for which above money may be used.

181. General Assembly may not levy tax for political subdivision, but may confer power; license and excise taxes; city taxes in lieu of ad valorem taxes.

182. Railroad taxes; how assessed and collected.

2. How did Kentucky solve its property tax problems which were similar to those of Louisiana? 

Kentucky approach to equalization was to assess all taxable property at fair cash value. This caused many of the fears and anxieties that have arisen in Louisiana. Kentucky solved their problems by taking the following steps:

(1) The department of revenue prepared technical procedures and instructions for local use; planned workshops for the county tax commissioners, and increased the size of the property tax field staff to provide more technical assistance. In the pre-assessing period county tax commissioners were specifically instructed not to make individual assessments final. The department of revenues field staff took samples of assessments to evaluate and notify the county tax commissioner if the assessments were out of line with target assessments.

(2) The legislature met in a special session and passed House Bill no. 1. The Bill provided for:

a.) reduction of fixed state rates on real and tangible personal property to offset the increase in assessment to fair cash value;

b.) roll-back of school, county and city property tax revenue to the 1965 level, except for revenue from new property;

c.) permission increases of school, county and city tax levies of not more than ten per cent, for each of the next two years, after public hearings.

[684]
CONSTITUTIONAL PROVISIONS
PROPOSED BY LOUISIANA DEPARTMENT OF HIGHWAYS

The Legislature shall provide for the establishment and maintenance of a system of state highways and bridges, shall provide for a general highway fund for the construction and maintenance thereof; shall authorize the acquisition, by expropriation or otherwise, of rights of way for highways and for drainage therefor; may provide for the acquisition by expropriation or otherwise of property necessary or useful for the purpose of building, operating and maintaining highways and buildings and desirable appurtenances thereto, and shall provide for a Department of Highways, under the supervision of a Board of Highways.

The Board of Highways shall consist of nine members, one of whom shall be ex-officio, the Governor, and one shall be appointed by the Governor from each congressional district; the members of the Board presently in office shall complete their present terms and may be re-appointed; two shall have terms of four years coinciding with that of the Governor and the others shall serve terms of six years, staggered so that one member is appointed each year. New appointees shall fill the unexpired term of the retiring or deceased member.

It shall be the duty of the Secretary of State to compile a panel of names submitted by the governing authorities of the several parishes and the City of New Orleans, each submitting a list of ten names annually, from which the remaining members of the Board shall select seven from which the Governor must make an appointment within thirty days after the vacancy occurs. No member of the Board shall be a member of the Legislature nor hold any salaried public office or employment for compensation (other than per diem) existing under the laws of the United States, the State of Louisiana, or any municipality or subdivision thereof, and may be removed only by the Legislature and for cause only.

The Board shall hold an open meeting at least once per month, and other meetings at its discretion or at the call of the chairman. A majority of the members of the Board constitutes a quorum; the Governor may vote only in the case of a tie vote.

The Board of Highways shall have general control, supervision of the management and direction of the Department of Highways. It shall have authority to establish, construct, and extend, improve, maintain and regulate the use of the state highways and bridges. It may make such studies and investigations as it thinks necessary. It shall formulate the policies, plans and procedures of the Department, execution of which may be delegated by it to the Director and other employees within the scope of its functions. The Board shall appoint the Director. The Chief Engineer and the General Counsel and their assistants shall be in the classified service of the State. No member of the Board may prescribe or direct the conduct of the Department nor the action of any employee thereof in any matter or case unless first authorized by the Board. The Board shall take no action except in public meeting, which action shall be recorded in the minutes. The Board and the Department shall be represented in all legal matters by the General Counsel or his designated assistant.

The Director of Highways is the executive officer of the Department, appointed by and serving at the pleasure of the Board; his compensation shall be fixed by the Board. He shall serve on a full time basis. Under the direction, supervision and control of the Board of Highways, the Director has the management of the Department and shall exercise all of the functions of the Department through the Department organizations provided for by law, except those functions which are specially assigned to the Board of Highways under the provisions of this section. The Department cannot act otherwise than through the Board of Highways or Director or through someone acting under authority of the Board or Director. Every lawful act of the Director performed in his official capacity is the act of the Department. The Department of Highways shall be in the Executive Department of the State.

The bonds heretofore sold by the Department of Highways shall continue to be lawful obligations of the Department, and, until said bonds are paid in full, the taxes heretofore levied on motor fuels, motor vehicle licenses, the use fuel tax, the taxes upon lubricating oils, and the dedication of all royalties and bonuses including annual delay rentals, heretofore provided by Article IV, Section 2 (c), shall continue to be collected, any excess over the amount required to pay the principal and interest on said bonds being paid into the General Highway Fund.

All Constitutional provisions, or laws, now in force relative to the construction and maintenance of highways, shall remain in force until the Legislature shall enact legislation to carry into effect the provisions of this Constitution.
The Legislature shall have authority to authorize the taking or property for highway purposes by orders rendered ex parte in expropriation suits prior to judgment therein, provided that provision be made for deposit before such taking with a court officer for the amount of appraisals of the property so taken and damages to which the owner thereof may be entitled, if any, which appraisals may be made in such manner as may be provided by law either before or after institution of suit, and need not be by judicially appointed appraisers.

It is a public purpose and in the public interest to expend public funds in connection with the construction, reconstruction or improvement of state highways for the acquisition of the full ownership or any lesser interest in property in order to protect the public investment, promote the safety and recreational value of public travel, and restore, preserve and enhance the scenic beauty of or points of interest in areas traversed by state highways.

To accomplish these purposes and to insure maximum participation of federal-aid highway funds made available in accordance with the provisions of Title 23 of the United States Code, the Legislature is authorized to vest in the Department of Highways the full police power of the State, through zoning authority or otherwise, and such additional powers of expropriation as may be considered necessary.

William McM. Jr., Esq.
Attorney at Law
New Orleans and Covington, Louisiana

May 3, 1973

Hon. B. B. "Sixty" Rayburn
Chairman
Committee on Revenue & Taxation
Constitutional Convention
State Capitol Building
Baton Rouge, Louisiana

Dear "Sixty":

By direction of the Greater New Orleans Expressway Commission I enclose herewith proposed Constitutional provision which greatly shortens that part of the Constitution Article VI, Section 22, sub-section "G" of the present Constitution which pertains to the Lake Pontchartrain Causeway.

I am simultaneously sending a copy of the enclosed proposed provision to Hon. Chalin O. Perez.

Very truly yours,

[Signature]

WILLIAM McM. KING

PROPOSED CONSTITUTIONAL PROVISION

GREATER NEW ORLEANS EXPRESSWAY

There shall be continued that special fund heretofore created from monies received and to be received from vehicular license taxes in the Parishes of Orleans, Jefferson, St. John the Baptist, St. Charles, Tangipahoa and St. Tammany Parish, and dedicated to the payment of principal and interest on revenue bonds of the Parishes of St. Tammany and Jefferson for the construction of the Lake Pontchartrain Causeway and its improvements and approaches (known as Greater New Orleans Expressway).

The power and authority of the Parishes of Jefferson and St. Tammany to jointly construct the causeway and to issue revenue bonds jointly for such purpose, and to charge reasonable tolls for its use is hereby expressly confirmed. The power and authority of the Parishes of Jefferson and St. Tammany to jointly maintain and operate the causeway and to do whatever is necessary and proper in connection therewith is hereby expressly confirmed. Said revenue bonds shall be payable solely from the tolls and other revenues derived from the Expressway and the other funds dedicated therefor pursuant hereto.

So long as any of said revenue bonds issued by the Parishes of Jefferson and St. Tammany are outstanding neither the State of Louisiana nor any municipality, parish, political subdivision or agency thereof nor any body under its control shall construct or permit the construction or operation of any vehicular bridge, causeway, tunnel or ferry across Lake Pontchartrain at any point within ten miles of the Expressway.

The Parishes of Jefferson and St. Tammany are hereby granted the right and privilege to jointly construct, operate and maintain the Expressway over, under, through, and across any State owned lands, surfaced or submerged necessary thereto.

The Expressway is hereby declared to be a part of the State Highway system and the State Department of Highways shall continue to maintain its approaches, and is authorized to enter into contracts with the Parishes of Jefferson and St. Tammany for its operation and maintenance.

The purpose of this provision is to secure the development of the Expressway and it shall be liberally construed to effectuate such purpose and shall be self-operative.

State of Louisiana
Office of the Treasurer
Baton Rouge

Honorable James H. Brown, Jr.
State Senator
Post Office Box 797
Ferriday, Louisiana 71334

Dear Senator Brown:

Your committee last week requested from a member of my staff information and recommendations with regard to eliminating all revenue dedications from the State's constitution.

Much has been discussed in the past about dedications as they relate to State finances, and as State Treasurer I recognize first hand the complexity and the task involved in maintaining records for analyzing and assessing the fiscal operations of the State. The need for a change is evident, especially when the majority of these funds are no longer self-sustaining and require support from the State General Fund, or where the Legislature is limited or unable to utilize income deductions to meet other priority needs.
The suggested recommendations as submitted herewith are intended to simplify the mechanics and processes of accountability for all State receipts. Additionally, it will stimulate the new cash management program in fully utilizing these funds for investment in generating interest income.

With respect to fund withdrawals, I feel that the Legislature should have the prerogative to review, evaluate, and determine by specific appropriation the disposition of all monies from the State Treasury.

Please call on us if we can be of further assistance to you and your committee.

Sincerely,

Mary Evelyn Parker
State Treasurer

Enclosures

DRAFT

CONSTITUTIONAL PROVISIONS

1. All Taxes, Licenses, Fees, Operating Receipts, Federal Funds, Private Grants and collections of all kinds by State Boards, Commissions, Agencies and Departments shall be paid into the State Treasury immediately upon receipt, and shall be credited to those funds created in this Constitution or by the Legislature.

2. All available funds in the custody of the State Treasurer shall be invested by the State Treasurer in a method as may from time to time be prescribed by the Legislature. Interest earnings from these investments shall be credited to the State General Fund and expended as prescribed by the Legislature.

3. No money shall be withdrawn from the State Treasury except in pursuance of specific appropriation made by law.

EFFECTS

Item 1

Present:
Not all state revenues and receipts are paid into the State Treasury. Some state agencies retain their receipts based on constitutional or statutory provisions. Many of the constitutional and statutory revenue dedications are no longer self-sustaining and require the support of the State General Fund to meet their obligations. But, where constitutional revenue dedications exceed requirements, the Legislature is limited or unable to use the excess for financing other state government services.

Proposal:
Provides for all types of revenue and receipts to be channeled and accountable in the State Treasury. It further provides that monies once accounted for be transferred to any created constitutional or statutory fund, if and when the Legislature enacts the necessary legislation.

Item 2

Present:
Statutory provisions govern the cash management program, investment procedures, and provide for the disposition of interest earnings to the State General Fund. Sought after legislative change to this provision has been developing to credit this interest income to the many special funds held in the State Treasury. Such a change would deprive the State General Fund of recurring income and create complex record keeping.

Proposal:
Strengthens through constitutional provisions the requirement that all funds not immediately needed for operations will be invested and provides that the methods for investment can be altered through legislation to meet our changing times. Additionally, the interest earnings would become a permanent source of income to the State General Fund.

Item 3

Present:
Funds are disbursed from the State Treasury through the enactment of yearly appropriations, special acts, permanent constitutional and statutory dedications. The latter are not presented to the Legislature for review and evaluation when their revenues exceed requirements, but only if the need exceeds the income.

Proposal:
Simply provides that the Legislature will be required to act on the disposition of all monies to be disbursed from the State Treasury whether they represent yearly appropriations, special acts or permanent dedications.
RESOLUTION

BE IT RESOLVED BY THE POLICE JURY OF CALCASIEU PARISH, LOUISIANA, convened in regular session on the 2nd day of May, 1973, that it does hereby go on record as urging that special tax consideration be omitted from the Louisiana Constitution and left to Legislature, but if the Constitutional Convention decides to retain special tax consideration that it retain the provisions of Article 10, Section 1, of the Louisiana Constitution as revised by Act 759 relative to the severance tax on timber and particularly endorsing the method of distribution of said tax.

BE IT FURTHER RESOLVED that a certified copy of this resolution shall be forwarded to the Constitutional Convention for consideration.

CERTIFICATE

I, the undersigned, do hereby certify that the above and foregoing is a true and correct copy of resolution as adopted by the Calcasieu Parish Police Jury, convened in regular session on the 2nd day of May, 1973.

[Signature]

E. L. Henry
Chairman

NORMA M. DUNCAN
Director of Research

STATE OF LOUISIANA
C O N S T I T U T I O N A L C O N V E N T I O N O F 1 9 7 3
P.O. BOX 17404 B AT O N R O U G H L O U I S I A N A 7 1 8 2 4
Telephone 227-2021

May 14, 1973

TO: Chairman of the Substantive Committees of the Constitutional Convention

Gentlemen:

Several errors have been found in Coordinating Committee Staff Memorandum No. 3 which was mailed to you last week. This Staff Memorandum presented the recommendations of the Coordinating Committee as to committee jurisdiction over constitutional provisions under consideration by two or more substantive committees of the Convention.

Please make the following corrections in the last column ("Committee or Committees To Assume Responsibility") of your copy of Staff Memorandum No. 3:

Article III, Section 17, on page CC-3: strike out "Bill of Rights and Elections" in the last column and insert in lieu thereof: "Coordinate: Bill of Rights and Elections and Local and Parochial Government"

Article IV, Section 4, on page CC-4, it was determined that the Committee on Legislative Powers and Functions would assume responsibility for preparation of the section, but any substantive committee having interest in any provision thereof may propose a provision prohibiting enactment of local or special laws in such area.

Article VI, Section 16, on page CC-10, relating to the Port of New Orleans: in the last column, strike out the words "Natural Resources Environment" and insert in lieu thereof: "Local and Parochial Government"

Article VI, Section 19.1, on page CC-10, relating to expropriation for highway purposes: In the last column strike out "Bill of Rights and Elections" and insert in lieu thereof: "Coordinate: Bill of Rights and Elections and Executive Department"

We regret the above errors in the Memorandum and hope your committee consideration is not thereby deterred.

Kindest regards,

Norma M. Duncan
Director of Research

MEMORANDUM

TO: Honorable B. B. Rayburn, Chairman, Committee on Revenue, Finance and Taxation

FROM: Robert J. Aertker, Chairman, Committee on Education and Welfare

RE: Recommendations relative to constitutional provisions.

The Committee on Education and Welfare wishes to inform you of action taken on the provisions listed below.

Article X, §7 Inheritance and donation: exemptions. Recommendation: Retain the exemption for donations and legacies made to charitable, religious or educational institutions.

Article X, §10 Political subdivisions, special taxes. Recommendation: Retain the provision allowing a levy of taxes to acquire sites for and for constructing or improving public school buildings.

Article X-A, §4 Payment to Louisiana State University. Recommendation: Delete if dedications are removed from the constitution.

In the proposed provision relative to the new structure for governance of institutions of higher education, we have indicated that the Board of Regents shall submit a budget requesting funds for those institutions under its jurisdiction. The committee wanted to inform you in light of the Coordinating Committee's recommendation that we coordinate our efforts as it relates to these provisions.

June 1, 1973

Page Two

The committee would be interested in receiving the results of your committee's review of Article XII, Section 16. We have been advised that a general provision in the constitution concerning outstanding indebtedness would be sufficient and this provision could be deleted.

Any information regarding this matter would be appreciated.

Cordially,

[Signature]

Robert J. Aertker, Chairman, Committee on Education and Welfare

MEMORANDUM

TO: Honorable B. B. Rayburn, Chairman of the Committee on Revenue, Finance and Taxation

FROM: Cecil B. Blair, Chairman, Legislative Powers and Functions
RECOMMENDATIONS relative to present constitutional provisions - Board of Liquidation.

The Committee on Legislative Powers and Functions wishes to express to you its views on the authority which should be granted to the Board of Liquidation. In view of the fact that the Coordinating Committee has assigned primary responsibility to your committee for consideration of Article IV, Sections 1(a) and 2(a) - Board of Liquidation - and so this committee had requested that it be assigned primary responsibility, we are forwarding our views to you.

It is the view of this committee that if the legislature has not appropriated money for an agency, board, or commission which it has created, then the Board of Liquidation should not have authority to appropriate out of its monies to fund the agency, board, or commission, etc. The committee feels this way, because it views the primary purpose of the Board of Liquidation being money in emergency situations when the legislature is not otherwise in session.

Respectfully submitted,

Cecil R. Blair
Chairman, Legislative Powers and Functions

CRB/104

DISABLED AMERICAN VETERANS

June 1, 1973

Honorable R. B. Rayburn,
Chairman, Revenue, Finance & Taxation Committee
Louisiana Constitutional Convention

WHEREAS, the Disabled American Veterans in Convention at Shreveport, Louisiana, May 4, 5, and 6, 1973 took into consideration the Veteran's Homestead Exemption Act in the existing State of Louisiana Constitution and passed a Resolution expressing the views of the organization. A copy of this resolution is also enclosed for your information and further consideration.

I hope this Committee in its deliberations will consider the following:

The State of Louisiana has granted tax exemptions to a number of industries as inducement to locate in Louisiana and thereby create more jobs and improve the employment situation. We find no fault with this, but have you considered the fact that the Homestead Exemption which allows the home owners to have more money to spend for material and services they need. Ninety per-cent of this money goes into circulation immediately, thus affects many times the number of jobs industries bring into the state.

Relative to the $5000.00 Homestead Exemption for veterans. The people of Louisiana have shown a number of times that by their votes that approve of this Homestead Exemption for veterans. They feel that those who served our Country in time of war deserve more consideration than those who didn't, therefore they believe the veterans entitled to the exemption in payment for the service he rendered, the sacrifices he made and the hardships he endured.

Thanking you in advance for your attention and respectfully asking your support in this matter, I beg to remain,

Sincerely yours,

Paul L. Stuart, Legislative Chairman
Disabled American Veterans

STRICTLY BASED AMERICAN VETERANS

DEPARTMENT OF LOUISIANA

RESOLUTION # 8

WHEREAS, the Disabled American Veterans in Convention at Shreveport, Louisiana, May 4, 5, and 6, 1973 took into consideration the Veteran's Homestead Exemption Act in the existing State of Louisiana Constitution with an expiration date of December 31, 1975, and

WHEREAS, the Governor of the State of Louisiana has called a Constitutional Convention for the purpose of writing a new State of Louisiana Constitution.

THEREFORE BE IT RESOLVED that we wholeheartedly go on record instructing the Delegates here assembled and the Officers of the Department of Louisiana, Disabled American Veterans to contact the Delegates to the State of Louisiana Constitutional Convention seeking their support in retaining both the regular $7000.00 Homestead Exemption and the $5000.00 Veteran's Homestead Exemption without an expiration date in the new Constitution, and

BE IT FURTHER RESOLVED that we will not support the adoption of a new Constitution that eliminates the Homestead Exemptions and which would thereby make the home owners pay more taxes.

Submitted by Paul L. Stuart, Legislative Chairman

Unanimously adopted by the Delegates to Department of Louisiana Disabled American Veterans Convention at Shreveport, Louisiana May 6th, 1973.

STATEMENT BY DISABLED AMERICAN VETERANS

PAUL L. STUART, LEGISLATIVE CHAIRMAN


Mr. Chairman and Members of this Distinguished Committee: I wish to thank you for the privilege of appearing before you and for the opportunity of presenting the views of the Disabled American Veterans, which represents the thinking of the membership, as reflected by resolutions adopted during our last Department of Louisiana Convention.

It is my understanding that the purpose of this hearing is to find out what the people want retained in the new Constitution. I know there are many here that want to be heard. Therefore, I will try to make my remarks as brief as possible and respectfully ask the Committee to give my statement as much thought and consideration as I have given to making it.

In three more years our great Nation will celebrate its two-hundredth Birthday. This is longer than any other democratic form of government in history has been able to exist. The reason this Nation has been able to exist so long is due, not only to the principles upon which our Nation was founded, but mainly because the American people believe in those principles. We strongly, therefore, believe the Constitution which has guided us through many onerous times should be retained.

Nearly every generation of young Americans have been called upon to fight and die in defense of our Nation. The American people are aware of the many sacrifices and the hardships these young men endured. The people are grateful and feel a deep obligation to them, consequently from time to time they have tried to pay their debt to these veterans by voting for legislation to give the veterans certain financial benefits, such as the veteran's Homestead Exemption Act. Those selfish individuals who would begrudge and deny the veterans this token of appreciation should join their friends, the draft-board burners, draft dodgers and deserters that have sought sanctuary in foreign lands, for he is their kind of people.

The Veteran's Homestead Exemption Act became law by a referendum of the people of Louisiana, if's expiration date has been extended several times by resolution, so there is no reason to believe that the people would now it left out of the new Constitution.

Continued on page 22

Page 22

At the time of the enactment of the Veteran's Homestead Exemption Act, it was considered a novelty for services rendered by the veterans, however, today with ever mounting inflation, to many it is more than that. To the old World War I veterans living on a small Social Security check, to the war and disabled veterans of all wars whose disability keeps them from earning a decent living and so many veteran's widows who have a very meager income, this exemption has become a very real need.

The Constitutional Convention will be making a serious mistake if it does not include both the regular $7000.00 Homestead Exemption and the $5000.00 Veteran's Homestead Exemption without an expiration date in the new Constitution. Both of these exemptions are in the present Constitution by the vote of the people and I don't believe the people will vote for a new Constitution that does not include them. With the ever mounting cost of living, the home owners in Louisiana are in no mood to vote additional taxes upon themselves. The elimination of the exemptions are one and the same thing. [689]
We consider it a pleasure to have had the privilege of appearing before you to express our views on a matter of deep concern, not just to the veterans but to all of the voters in Louisiana.

July 2, 1973

David Ginn
Constitutional Convention Delegate
District 14

Dear Mr. Ginn:

In response to your letter of June 21, 1973, the 1952 bill to which you made reference in Louisiana Revised Statutes, title 33, section 2740.1, which provides as follows:

Public cemetery maintenance: ad valorem tax

Any parish in this state or any ward in any parish may, subject to the approval of a majority of the property taxpayers both in number and assessed valuation, levy an ad valorem tax of not to exceed one mill on the dollar for a period of not to exceed ten years, to be used for the maintenance and upkeep of public cemeteries located therein. Acts 1952, No. 133, § 1.

To date there has been no action which would affect the above quoted provision. Furthermore, it is very unlikely that this provision will be affected in any manner by CC/73.

If you have additional questions, please contact us. Thank you for your interest in this matter.

Very truly yours,

James A. Norris, Jr.
Senior Research Assistant
(for the Committee on Revenue, Finance, and Taxation)

JAN, Jr. 1973

Honor. B. "Sixty" Rayburn
State Senator
606 Avenue B
Bogalusa, Louisiana 70427

Dear Senator Rayburn:

You will recall that during the May Session of the Legislature you discussed with me the very serious problem of determining the amount of bonds which could be issued by police juries and other political subdivisions of the state as a result of the passage of the amendment to Article X, Section 4 of the Louisiana Constitution which became effective January 1, 1973.

In the Extraordinary Session of 1972 the Legislature repealed the law providing for the Property Tax Relief Fund subject to the passage of the above referred to constitutional amendment which gave effectiveness to the homestead exemption despite elimination of the Property Tax Relief Fund.

Accordingly, on adoption of the constitutional amendment which became effective January 1, 1973, property subject to homestead exemptions has become exempt from ad valorem taxes without the necessity of funds being paid into the Property Tax Relief Fund.

Thus, the question to be answered by this office is whether the debt limit for bonded indebtedness should be computed by reference to the full assessed value of the property in the various taxing districts, or whether the value of homestead exemptions should be deducted from the assessed value of the property.

For example, a hypothetical parish might have property assessed in the amount of $75 million, with homestead exemptions of $25 million, is the debt limit for bonded indebtedness calculated on $75 million or $50 million? If the calculation is based on the assessed value subject to the deduction of the homestead exemption, the borrowing capacity of the political subdivisions would be severely curtailed.

This would hurt the ability of parishes, school boards and other political subdivisions to provide necessary sewer systems, drainage systems, school buildings, roads and other public facilities that may be vitally needed.

The Attorney General’s Office has thoroughly reviewed the law relative to calculating debt limit and has arrived at the conclusion that the homestead exemption should not be deducted from the assessed value of taxable property. In the terms expressed in the hypothetical situation above, this means the debt limit would be based upon the value of all taxable property, i.e., $75 million.

Honor. B. "Sixty" Rayburn
July 26, 1973
Page 2
Attached are two opinions dated July 24, 1973, addressed to the Bond Commission which explain our reasons for concluding that for 1972, 1973 and subsequent years, the debt limit should be based upon the value of taxable property with no deductions for homestead exemptions.

Briefly, as to 1972, a Louisiana Supreme Court case has held that the debt limit must be computed upon the tax roll that was in effect at the time the tax was submitted to the voters. And as the 1972 tax roll was not affected by the amendment to Article X, Section 4 regarding homestead exemptions, the debt limit computation would not be affected.

As to 1973, and subsequent years the second opinion concludes that the Legislature in adopting Act 104 of 1973 which was authored by you has implemented the provision of Article XIV, Section 14(f), by supplying a definition to the term "taxable property" to include for calculation of debt limit, all property whether subject to homestead exemption or not.

I trust that this letter and the attached opinions will be of some aid to you in answering the question which you have asked.

Very truly yours,

WILLIAM J. GUSTE, JR.
Attorney General

Encl.

State of Louisiana
DEPARTMENT OF JUSTICE
Baton Rouge

July 24, 1973

State Bond Commission
Fifth Floor, State Capitol
Baton Rouge, Louisiana

Gentlemen:

This is in reference to my letter to you dated May 31, 1973, concerning debt limitations on bonds of political subdivisions of the State and is supplemental to my letter of July 23, 1973 as that opinion dealt only with debt limitations based on the 1972 Assessment Rolls.

In the first letter I mentioned that this office has had under review the entire subject of debt limitations and that legislation was introduced during the fiscal session of 1973 to clarify and interpret the provisions of Article XIV, Section 14(f) of the Louisiana Constitution, and R.S. 39:562 with respect to the establishment of debt limitations on the issuance of bonds by political subdivisions. In my letter I recommended a resolution of the Bond Commission approving the holding of elections by political subdivisions of the State, which approval would be given by the State Bond Commission; however, further subject to the limitation that the Bond Commission was giving conditional authority to hold an election and that further approval of the Bond Commission would be required prior to the issuance of bonds by political subdivisions.

My office has reviewed the legislation passed in the 1973 Fiscal Session, particularly Acts 104 and 213. Act 104 provides in pertinent part as follows:

"Section 2. The legislature hereby desires to clarify and interpret the provisions of Article XIV, Section 14(f) of the Louisiana Constitution and R.S. 39:562 in the light of its intent in enacting Act No. 18. As

State Bond Commission
July 24, 1973
Page 2-

used in Article XIV, Section 14(f) of the Louisiana Constitution and R.S. 39:562 the phrase 'assessed valuation of the taxable property of such subdivision' shall be interpreted to mean the total amount of assessed valuation of property on the assessment roll, including property subject to homestead exemption which property shall be included on the assessment roll only for the purposes of calculating debt limitation.'

We are convinced that the legislature has the power and authority to pass an act implementing the provisions of Article XIV, Section 14(f) and providing a definition of the phrase "assessed valuation of the taxable property of subdivision."

Therefore, it is our conclusion that the amount on the assessment roll including property subject to the homestead exemption shall be considered as taxable property, but for the purposes of calculating debt limitations of the various political subdivisions. In view of these conclusions the opinion of this office dated March 5, 1973 is superseded by the subsequent passage of Act 104 of 1973.

Very truly yours,

WILLIAM J. GUSTE, JR.
Attorney General
V. Documents and Transcripts
A. Miscellaneous Documents

REVENUE, FINANCE AND TAXATION

BIBLIOGRAPHY

Articles and Periodicals


Books and Monographs


Burrows, Donald R., Director of Research, PROPERTY TAX REFORM IN WASHINGTON: A COMPARATIVE ANALYSIS OF ALTERNATIVE PROPOSALS TO PROVIDE ASSISTANCE FOR SELECTED GROUPS OF TAXPAYERS, Division of Research and Information, Washington State Department of Revenue, State of Washington, October, 1972.


Different sources and materials are referenced in the text, including books, articles, and reports. The content appears to be related to tax law, education, and government policies, particularly concerning property tax administration and related issues. For example, there is a reference to the Tax Institute of America and its publications, as well as to various government reports and committee findings. The text also includes legal documents and references to specific legal cases or provisions.
19. None.

20. None.

21. None.

22. None.

23. None.

24. None.

25. None.

26. None.

27. None.

28. None.

29. None.

30. None.

31. None.

32. None.
4. Applications for additional exemptions shall be made yearly

5. Homestead exemption extended to any municipal or city taxes levied for school purposes

6. No comparable provision

7. All public property

8. Places of religious worship; property owned by religious denominations and used as residences for ministers; places of burial, and property held by any religious denomination or nonprofit corporation or organization for burial purposes, but the exemption shall not apply to lands held for development as places for burial, when so held for profit; places devoted to charitable undertakings, including that of such organizations as lodges and clubs organized for charitable and fraternal purposes and practicing the same; schools and colleges; nonprofit hospitals; but the exemption shall extend only to property, and grounds thereto appurtenant, used for the above mentioned purposes, and not leased for profit or income

9. No comparable provision

10. No comparable provision

11. All oceangoing vessels engaged in international trade and domiciled in Louisiana ports

12. Commercial vessels used for gathering seafood for human consumption

DRAFT - CONSTITUTIONAL PROVISION ON STATE DEBT

ARTICLE IV - PUBLIC DEBT

§ 1. Full Faith and Credit Debt

Section 1. The State shall have no power to contract directly or through any State Board or State Agency the incurring of debt or the issuance of bonds involving the dedication of all or any part of the tax revenues imposed and collected by the State except upon the two-thirds vote of the elected membership of each of the Houses of the Legislature and then only if the funds are to be used to provide relief from natural catastrophes, suppress insurrection, redeem outstanding indebtedness or finance projects identified by nature, location, amount and priority classification in the State's approved Capital Budget or budgets adopted according to law.

The bonds of other evidences of indebtedness authorized pursuant to this subsection shall be general obligations of the State and the full faith and credit of the State shall be pledged to the punctual payment of the principal of, interest and premium, if any, on said bonds or other evidences of indebtedness. The bonds or other evidences of indebtedness shall be additionally secured by the Bond Security and Redemption Fund. Except as hereinafter provided in this Section, and subject to prior contractual dedications herefore made to the holders of outstanding obligations of the State of Louisiana and any of its boards, departments, commissions, authorities, and agencies, there is hereby dedicated to and shall hereafter be paid as collected into the Bond Security and Redemption Fund all State moneys received in the Treasury from each and every source whatever except:

(1) Fees and self-generated revenues, including revenues derived from the ownership or operation of an undertaking, facility or project; (2) Moneys received as gifts, grants, donations, aid or assistance or otherwise from the United States or any department, bureau or corporation thereof, or any person, firm or corporation, public or private, when the terms and conditions of such gift, grant, donation, aid or assistance requires the application and disbursement of such moneys otherwise than in accordance with the provisions of this Section; (3) Bond proceeds, Parish Road Royalty and Bond Funds, Levee Districts Funds, Retirement System Funds, Free School Funds, Performance Bonds and Deposits and Trust Funds.

The State Treasurer in each fiscal year shall set aside in, and there is hereby appropriated from the Bond Security and Redemption Fund, an amount of money sufficient to pay the principal of, interest, and premium, if any, on, and any sinking or reserve fund requirements with respect to all bonds payable from the funds as and when the same, respectively, become due and payable during that fiscal year. All moneys remaining in the Fund after such amount has been so set aside shall be transferred in the order or priority as follows:

First, to the various special funds created and established under the provisions of this Constitution, an amount equal to the amount which otherwise would have been paid into each of such
special funds had the revenues dedicated to each of such special funds not been paid into the Bond Security and Redemption Fund; and

Second, to the various special funds created and established by the Legislature of the State, an amount equal to the amount which otherwise would have been paid into each of such special funds has the revenues dedicated to each such special funds not been paid into the Bond Security and Redemption Fund; and

Third, to the General Fund of the State, the remaining balance.

§ 2. Negotiable Instruments and Tax Exemption

Section 2. All bonds and other evidences of indebtedness issued by the State are declared to have the qualities of negotiable instruments under the laws of Louisiana, and such bonds and the interest thereon are exempt from all taxation in the State of Louisiana.

§ 3. Precluding Litigation of Validity of Bonds

Section 3. Bonds issued or sold by the State shall not be invalid for any irregularity or defect in the proceedings or the issuance and sale thereof, and shall be incontestable in the hands of a bonafide purchaser or holder thereof. The issuing authority shall file with the

- 2 -

State Treasurer a certified copy of the resolution authorizing the issuance of the bonds, and for a period of thirty days thereafter any person in interest shall have the right to institute an appropriate action or proceeding to contest the validity of the bonds authorized, the pledge of revenues for the payment of the principal and interest on such bonds, the validity of the collection and disposition of the revenue necessary to pay the principal and interest on the bonds, the expenditure of the proceeds derived from the sale of the bonds for the purposes specified by law, and the validity of all other provisions and proceedings in connection with the authorization and issuance of the bonds. If such action or proceedings shall not have been instituted within the said thirty day period, then the validity of the bonds shall be conclusively presumed, and no court shall have authority to inquire into such matters.

§ 4. Special Obligations and Revenue Bonds

Section 4. No State Board or State Agency shall have the power to contract debt directly or indirectly secured by non-tax revenue, unless authorized by a simple majority of the Legislature and provided further that said bonds or other evidences of indebtedness shall be issued to finance a project or projects identified by nature, location and amount in the State's approved Capital Budget or Budgets adopted according to law.

- 3 -

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its bonds. The rating services and bond buyers view the State's debt purely objectively, primarily from a statistical point of view and in relationship to the bonds of other states which are also being marketed.

In discussing the present program we find that the State's problems from the viewpoint of these professionals are both historical and current. As an example the following quote appears in Dun & Bradstreet's analysis: "Louisiana has a long and complicated debt history with difficulties in the 1800's, but since 1900, at least, the State has had a relatively clear debt history. In 1962-63 $40 Million Louisiana Fiscal Authority bonds were sold to, in effect, fund deficits in the General Fund. Louisiana's debt structure is complex and includes general obligation bonds secured by specifically dedicated revenues, general obligation bonds secured by general revenue, and special agency debt payable from designated taxes." The report continues, citing additional financial complications which "include numerous funds and extensive earmarking of revenues."

- 2 -

Mr. Robert Richle, former Director of Municipal Bond Ratings for Moody's, summarized Louisiana's historical problems as follows:

"The shortcomings of the old established system of debt structure in Louisiana were very apparent. For one, with all state indebtedness of the limited liability variety secured by dedicated taxes, many fiduciaries statutorily restricted to full faith and credit general obligations were legally prohibited from buying State of Louisiana bonds. Hence, State of Louisiana bonds sold in a restricted market to a relatively small class of buyers at relatively high rates of interest. Second, state bonds were to some degree 'suspect' in that none were unqualifiedly secured by the State's full faith and credit. By far the most damaging practice indulged in by the State of Louisiana was its addiction to the 'layer cake lien'. This practice was the logical result of evolution. Successive bond issues secured by the same tax resulted in the establishment of successive liens through an attempt to give investors protection against progressive earnings dilution, with the result that early liens were of high quality; successive and later liens having marginal coverage were of low quality. As a result, the State has a number of bond issues outstanding with low quality ratings. Marginal credit ratings detract from a State's credit image - representing capital funds borrowed at inordinately high interest costs.

"In effect, after some duration of time involving the issuance of successive bond issues secured by fragments of various state taxes, Louisiana had hypothecated virtually all of its revenue sources eventually putting itself in the position of issuing only junior lien bonds of marginal quality.

"The old debt structure had another conceptual defect that made borrowing expensive - it was so complicated that only the professional investor understood it. This factor not only further restricted the market but bond dealers demanded a larger margin of profit to reimburse them for the extra time required to explain and sell a State of Louisiana bond to a customer."

To overcome some of these disadvantages the Constitution was amended in 1966 to allow the pledge of the full faith and credit of the State to its bonds without public referendum. Additionally, in 1968 the State established procedures for additionally securing bonds under a simplified and understandable system and doing away with the so-called "layer cake liens."

Of course, the State's debt structure remains complicated because many of the earlier bond issues remain outstanding; however, the bonds which are now issued are much more marketable as evidenced by the superior bids received and the increased competition.

The successful bond purchasers of the initial issue of general obligation under the new procedures wrote the following to the State Treasurer concerning the State's improvements:

"Last week we terminated our account on the $15,000,000 Louisiana Bonds. We felt all along that the bonds would be well received in the State, but some of our partners were not quite so certain about the rest of the country but were still willing to test the market at prices that approached a Aa scale. This is only the second time in recent history, the first being in 1963, that the First Boston Corporation, The Bank of America and the Mellon National Bank of Pittsburg chose to bid on Louisiana bonds at all. Their decision to not only bid this time, but bid vigorously was prompted by the new legislation drawn up by you and your associates and recently passed into law. They felt that this provided a substantial improvement in the marketability of the bonds worthy of the bid proposed.

"As it turned out, our estimate of the local appeal was more than justified by the volume of our business, but the degree of the national market acceptance actually surprised us all. We obviously felt it would be good, but not to the extent that it was."

The point in calling attention to these historical problems and improvements is twofold. First, we must guard against erosion of the accomplishments made to date to assure that the State does not revert to the earlier complicated system of multiple and limited tax secured bonds. Secondly, since some of the historical problems still exist, we must continue to strengthen our bonds and remove as many additional historical impediments as possible.

- 4 -

The second problem relates to our historical difficulties and the fear of rating services that the State will revert to its prior complicated bonding practices because of the loopholes in the present constitutional provision. Mr. W. J. McCarthy, Director of Moody's Municipal Bond Rating Service summed it up as follows:

"I fear that Louisiana may continue its patchwork approach to debt issuance despite the new procedures." Moody's reservations are directed primarily to the exception of certain State boards and agencies from the operation of Article IV, Section 2 which provides the following:

"This prohibition shall not apply to . . . any state board, authority, commission or other state agency empowered by other Constitutional authorization or to any law adopted by the legislature within the scope of any such other Constitutional authorization; nor shall it apply to any state board, authority, commission or other state agency created by an Act of the Legislature with respect to any proposed debt to be incurred thereunder
and any proposed bonds to be issued in connection therewith where secured solely from the revenues of the project."

The third problem which is also related to our historical difficulties is a result of the numerous revenue dedications which render the full faith and credit pledge of the State less than fully meaningful. The revenue pledged to the State's current bonds consists of only part of the State taxes and thus the pledge does not represent the full taxing power and authority.

So in summary the three predominant problems the State has are: (1) Too many bonds authorized too quickly and without sound long-term financial planning, (2) the Constitution has loopholes that would allow the State to revert to former complicated bond practices, and (1) prior dedications result in the pledge of the full faith and credit of the State being something less than totally meaningful.

The attached suggested draft of Constitutional provisions assumes that the State will continue to have some constitutionally dedicated funds, however, with a small amendment this could be revised if we are not to have constitutionally dedicated funds.

The effect of the proposal is to prohibit the issuance of all debt by the State or any State board or agency unless approved by the Legislature. If the debt is to be tax supported it must carry the full faith and credit of the State and be authorized by a two-thirds vote of the Legislature. Such bonds which would be general obligations of the State could only be authorized to provide for natural catastrophes, repel invasion, suppress insurrection or finance the State's capital budget or budgets. The provision anticipates a nonhighway capital budget and a highway capital budget; however, one long-term comprehensive financial plan consisting of all projects would be possible and perhaps ideal.

Under the proposal only the Legislature could authorize state general obligation bonds and in effect this would eliminate the authority of certain constitutional agencies such as the Port of New Orleans, Baton Rouge, South Louisiana and Lake Providence to issue such bonds unless the projects are contained in a State capital budget and the bonds are specifically authorized by the Legislature.

This provision should ultimately force the preparation of a long-term capital improvement plan. The procedures to assure that a sound financial plan would be developed can be provided by statute and the possibility of financially unsound bond authorizations should be reduced.

The language which provided exceptions for certain State boards and agencies has been removed and only local political subdivisions should be excluded and this exclusion can either be provided by implication of the Article only relating to State debt or if necessary a specific exclusion could be drafted.

The second paragraph of Section 1 continues the existing Bond Security and Redemption Fund; however, all tax revenue not priorly pledged to bonded indebtedness is directed to this fund. This results in the full taxing authority of the State and most State taxes being pledged, first to State indebtedness, second to constitutional funds, third to statutory funds and fourth the balance to the General Fund.

Section 4, prohibits the issuance of debt of so called "revenue bonds" without the authorization of the Legislature. This proposal anticipates that such bond issues would require only a simple act. The provision, in effect, eliminates the authority of L. S. U. and the Board of Education as well as all other State agencies to issue revenue bonds until the project is approved and the bonds are authorized by the Legislature. Ideally such projects would also be made a part of the State capital budget so that they can be coordinated and an evaluation made of the effect of the bond issue on State revenue and the prospective annual operating budgets.

The State now has reached a point where projects should be undertaken not because they are good but because they are absolutely necessary.

Such revenue producing projects should be included in the capital budget so that recurring needs of such facilities can be coordinated with the operating budget. Normally these projects increase operating costs or affect other facilities supported by State revenue and thus do have an impact on State funds. As an example the pledge of self-generated revenue of colleges and universities to bonds reduces the amount they have for operations and increases the need of State appropriations. Additionally, the construction of a dormitory can increase enrollment and require additional classroom space and teachers which is normally financed, at least partially, by State tax revenue. A new classroom building financed by bonds payable by student fees can have a similar effect.

To reiterate the total impact of such revenue bond issues on the State's finances should be fully evaluated before the bonds are authorized and the projects undertaken.

The proposed constitutional provision makes no exception of State agencies; however, the possibility of limiting this provision to only those agencies which obtain all or part of their revenue from the State has merit and could be explored although the exclusion of these agencies has obvious inherent weaknesses.

The provisions relating to the tax exempt status of State bonds and precluding the challenge of the validity of such bonds after a thirty day prescriptive period are desirable although we don't feel they are absolutely necessary. These provisions are contained in Sections 2 and 3 of the attached draft.

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REPORT FROM REVENUE DEPARTMENT SHOWING THE EFFECTS OF PROPOSED CONSTITUTIONAL AND SEVERANCE TAX LAWS OF RECENT SESSION ON THE DISTRIBUTION TO THE PARISHES FROM SEVERANCE TAX COLLECTIONS.

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TOTAL: $ 18,479,176  $ 9,182,010  $ 240,000

[699]

BROWN: I object to that, Dave, for the reason of complete

impartiality, when it gets right back to property. I can't see

why a man up my own way who owns property, everything he owns

ties up in this property, is to be taxed on that property. That is a man

who lives on St. Charles Ave. in a big, swanky apartment, and everything

he owns might be worth tens of thousands and everything is
tied up in stocks and bonds, and he doesn't pay a
dollar tax because of the exemption because you happen to

put your wealth in land only on bonds. It just seems like it is completely inequitai.
The argument has been made that there is no way to control it, that

we'll end up losing lots of business outside of the state. A lot of

people will get out of this if you just get around it and get caught there will be penalties. There

are good ways of enforcing this thing, if we look into it. Just to say that we can't enforce it seems to be evading
the question. I can't see the equity of taxing the man who

puts all his income and wealth in property and let him be taxed and let the fellow who puts his in stocks and

bonds not be taxed. It just doesn't seem fair.

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puts all his income and wealth in property and let him be taxed and let the fellow who puts his in stocks and

bonds not be taxed. It just doesn't seem fair.

RAYBURN: I want to continue this discussion or break for lunch?

CHAMPAGNE : I move that we continue this and finish discussion

on stocks and bonds. I'll call the question.

RAYBURN: The motion failed to carry.

CHAMPAGNE : , , , , could not be taxed. I would be satisfied

with continuing that. We're not cutting anybody off from any

revenues. I think that stocks and bonds are not taxes, it's a very difficult thing to check on the

way you could do it. I see so many instances of forcing people to lie about this, and this is an 

exception.

SLAY: I would like for us to leave it just like it is because

there will come a day when additional revenues may be needed and that would be a source to return to. As we get a little

more sophisticated with these machines and so forth, the day is coming when you can get all that information real easy.

It can't be done now, but we could do this. I think things like Georgia are doing, once they get a plan to get information on stocks and bonds we could do the same thing. But we don't put it in here and give them the exemption, the legislature won't have such a time putting it into law. I would leave it just like it is.

Discussion on the next meeting would be:

CHEHARDY: I want to give a concrete example on taxing

bonds, we're talking now of exempting them from ad

valorem taxes. The Federal government exempts state

bonds from taxation. Now the reason for that is in 1913

- - - - it has nothing to do with economics, it was one

concern - they exempted state bonds from federal taxes.
The Federal government can own any tax on state

owned property or state owned bond issues. As a result

of that, there is a tremendous tax edge right now, for

example, Chase Manhattan Bank in 1971 owned one billion five

hundred ninety-one million dollars of those exempt state bonds and saved federal taxes on thirty-eight million dollars. Now, you can't separate the total dollar tax that is not coming in from the taxes the Federal government by virtue of this exception. Now, we're talking of removing from property taxation all bonds, or at least these stocks and bonds. But as Sen. Brown pointed out, we have a situation where 2 men might save $10,000, one might throw it into a farm and have to face taxation, and the other one might sit up in an apartment somewhere and hold the $10,000 in securities and bond. So, it's totally unfair. There's no way you can say, just write this off the books too. It's just another step further when were the big ones that have all the tax avoidance methods now.

ROEVER: What about the situation where the man who bought the

farm formed a corporation to do so, and the corporation paid taxes on the land and the man owned the stock in the corporation, and then you want him to pay taxes on the

stock too?

CHEHARDY: No, not on the stock.

WINCHESTER: Mr. Chairman, may I answer that question, please?

A Louisiana corporation is not covered by this.

Such state bonds and bonds of Louisiana corporations are not

included in this.
We're not talking about a securities tax the legislature can pass, a tax on all holders of stocks, bonds, investments, anything else. We're only talking about ad valorem taxes on stocks and bonds. There is no question you can put all $100,000, a million, ten million dollar corporation tax you want. But this is ad valorem tax - double taxation.

Mr. Lowe said the other day and get way down there and look into all of it. Where is the corporation located that this is an ad valorem tax. This is an exemption for ad valorem taxes only. That puts it in the tax, and every assessor on this board will admit, if they want to talk the truth, that the most lied about fact as far as ad valorem tax goes is tax inventions. This is absolutely lied about and if you don't agree, sir I will go to your parish and protest comes to stocks and bonds, there may be a way to prove it, but the point is, you may not be able to get a- because it is out-of-state, then pass an out-of-state securities tax where you can tax them for owning stocks - out-of-state corporations. What Mr. Chehardy talked about, non-taxable bonds and so forth, in other words what he is talking about. And a few more words, that this is not double taxation. I simply don't agree with you.

Mr. Planchar: Of course the legislature doesn't want to pass the tax on stocks and bonds because presently they are tax free. This is to enable local subdivisions to buy things at a cheap rate. This enables the local people to sell their bonds on a ready market so they can sell them at a better rate. You get less interest because they are tax free. This is the savings life and the corporations to buy these things, and because it is tax free, they get these dealings and not liable to the taxpayers. There's no question about this. We're talking about ad valorem taxes, not securities taxes. This is ad valorem taxwise, double taxation, if you tax bonds and stock in the state. How if they're out-of-state, there's another way to get to it. Get a security in this state else, but not ad valorem taxes. The only argument which I haven't heard is that it isn't in now, so why include it. If you use that argument, you have something to talk about. But when you say that this is not double taxation, I simply don't agree with you.

Mr. Planchar: Of course the legislature doesn't want to pass the tax on stocks and bonds because presently they are not doing it. Now if they come in and say all stocks and bonds will have an ad valorem tax, then categorically they're picking up all stocks and bonds from the equity section of your corporation. Should the legislature come in and say that there's stocks and bonds held by the corporations of other corporations, not their own stock and bonds, but the corporation's. Then you have a property item. Just like inventory, land, the building and other assets. So by putting an exemption, you're cutting out any possibility of ever using a tax or putting a tax on stocks and bonds.
CHAMPAGNE: There's no reason why we can't put a securities tax on all out-of-state securities. That would be a real nice tax. Out-of-state securities or in-state securities, whatever you want. But ad valorem wise anytime you don't, as the present law, not pay taxes on bonds and stock you are taxing twice.

PLANCHARD: I would not say that in all cases that would be double taxation. If this corporation was holding stocks and bonds, it would be a current asset, is that correct?

CHAMPAGNE: This is my question. Are you insinuating that the inventory is stocks and bonds? What we are insinuating is the only way it is possible to merchandise inventories is stocks and bonds of another corporation. If that inventory is merchandise inventories, it's paying a tax. Now the only way I can understand you insinuating that it might not be if this inventory or assets held, or other assets be stocks and bonds. Is that what you are trying to say?

PLANCHARD: That's exactly what I'm trying to say. It's closing the door on ever having any.

CHAMPAGNE: Well, you're thinking of some kind of investment corporation or something?

PLANCHARD: Any corporation can own stock in other corporations.

CHAMPAGNE: Yes, well I understand that. But the point there is a very minute one. If you're talking about merchandise inventory, then there would be a double taxation involved, if you're not talking about stocks and bonds held by another corporation.

WINCHESTER: Mr. Plancharde, don't you think that this thing is of such great importance that the committee should give us some time till Thursday to prove that Louisiana stocks are subject to taxation? I just don't think we read it somewhere and I would certainly appreciate the opportunity to prove my position that these things are exempt.

RAYBURN: Mr. Conroy, will you agree to delay action on your motion until next week?

CORBY: Will Mr. Winchester vote for the motion if he finds it is not in the constitution and that it would go ahead and proceed with it today, the matter is subject to a motion for reconsideration. I feel unfortunate that we're voting on either. We have only 13 people here out of a committee of 23 and I hope we have more on Thursday.

Frankly, my feeling about the stocks and bonds thing, as I indicated from my questions earlier, is that it's not the way they were being taxed now. My concern is the integrity of our ad valorem tax system. It is a matter of serious concern, continual concern in the eyes of people coming into the state, coming into business and moving into this state, when I have to tell them what the law is and what is in the constitution, but that's not the way it's worked. And I think that the situation where the law is being enacted into this state. The law ought to contain the exemption because it is not being taxed right now.

LOWE: Mr. Plancharde, are you basing your law on the fact that we were going to shut the door once and for all if this corporation owned an investment in stocks of another corporation, integrity in the same. Suppose this corporation owned stocks of corporation B. Well corporation B has paid its ad valorem taxes so we come along and tax it again. It doesn't matter, we're exempting once and for all the receivables on the sale of merchandise. I don't see anything bad about exempting something that has already been taxed by property taxes.

PLANCHARD: I'm sure that you will agree that we have a tendency to go to complacency when talking about this. I think that there is a limitation on how much they can hold in this holding company in property. Without still giving a problem, you never could have a problem if they don't want to close the door by putting it in as an exemption now. The legislature may come along with a bill come along with a bill at any time this year on a big property tax bill.

LOWE: My other question is don't you think . . . . twice with property taxes on the same asset?

PLANCHARD: No, where we disagree is that I'm not saying . . . .

LOWE: Whether or not we are talking about exempting stocks and bonds.

PLANCHARD: I'm not talking about the little investor. If you want to put an exemption in there to change the exemption for stocks and bonds up to $50,000, I would say that is the little investor. The person that is going to take care of, the guy that is going to put his life savings in, I'm not trying to get at this equity of this home-owned corporation or a family corporation. That's not what I'm saying. Because if you start taking this right here from an individual, then you would be getting into double taxation. But what I'm saying is stock owned by Blanche saying that all stocks and bonds will have no tax.

CHAMPAGNE: We're not saying no tax, just no property tax. Transfer tax is an ideal way to get money from them. All you have to do is tax stock every time it is transferred.

PLANCHARD: Well, you probably know as well as I do about revenue stamps and all of these people in the clerk of court, it would just be a nuisance tax.

CHAMPAGNE: You say you are closing the door, Mr. Planchard, to property taxes, not stocks and bonds right? You point out that this would be a nuisance tax and so forth. If it's hard to enforce an exchange or transfer tax, what do you think it is going to be to find all those stocks in all of those homes? Now I made up one decision - if you're against something, then you are helping the big corporations, that's what you bring up when you are for something then you bring up you're helping the little man. I've decided that before, I just wanted to bring that up again. That's exactly the way it runs.

RAYBURN: Are you ready to close on the motion, Mr. Conroy?

CONROY: I've already closed.

RAYBURN: The motion has failed to carry with a hand vote of 5-7.

VERBATIM TRANSCRIPTION OF THE REMARKS MADE BY WALTER CHAMPAGNE ON INDUSTRIAL EXEMPTIONS AT THE MEETING OF JUNE 15, 1973

RAYBURN: Does the staff have any proposals on these particular sections? (Article X, Section 4, 110 and Section 12)

CHAMPAGNE: I had requested one as an individual the other day when we were talking about this, and it would likely read "industrial tax exemptions may be provided for by law."

RAYBURN: Yes sir, I think we have something on that. It's in the original property tax proposal on page 2, line 14, at the bottom of the page it says "the legislature may grant exemptions for taxation on the property." and on the other page, line 1, it defines the property. Mr. Champagne, do you care to comment on your suggested proposal?

CHAMPAGNE: Well, the comment was that it's a substantial change in that the legislature is given the exclusive power to grant the exemption. In other words, it is not constitutionally provided but it's giving the exclusive power to the legislature to grant them as they see fit. Now in talking about it, the thing that impresses me is that an industrial exemption as such is not criticized by a lot of people but they say no more of it being abused is what is being criticized. And of course, in listing further, I find that the legislature says, some of the representatives have said that in many cases if they have the authority to change their methods, if they see things are going in the wrong direction, they can do this. They have to be given the permission to do it, you can't do it because it is prohibited by the constitution unless you do say that they may be provided for by law. This would give the legislature the right to do no. Once they sign the contract and they grant it to a firm, well that could not be revoked, but they could maybe change their method or the length of time at a later date for other people coming in. I think it would be better to give this to the legislature rather than the local governing body, because people that are thinking of coming into the state would know what the law was at that time, otherwise, the local governing body could decide this issue, they would never know until they were in the local political area whether they could come in and have an exemption or not and they might change their change and they probably could come in and do something that would be the best way to do it, because I find that the members of this committee in general do not particularly want to put a limit in that may be given, or the means or method of doing so, in general.

PLANCHARD: I would like to at this time, Mr. Chairman, move that this committee adopt Article X, Section 4, Paragraph 10, of the present constitution and embody it in your proposal to the convention.

RAYBURN: You've heard the motion, is there any discussion on the motion?

MAUBREY: Mr. Chairman, I would like to add an amendment to Paragraph 10. Before now manufacturing establishments could be granted an exemption they have the approval of the local governing authority.

SCHMITT: I would also like to add that stating in no instance shall this exemption be for a greater period than five years and non-renewable.
RAYBURN: Of course, its all up for discussion at this time. Mr. Plantchard made the original motion. Unless he has no objection to including the amendments it is open for discussion.

PLANCHARD: I have objection.

RAYBURN: Is there any further discussion on the motion?

CAMPAGNE: Yes sir, what page is that on?

RAYBURN: Page 95. Mr. Schmidt, you're recognized.

SCHMITT: One section of this section of the constitution does bring out the additional period of five calendar years for the existence of this industry tax exemption. We've heard from many witnesses that have come forward to speak on this industrial tax question, and I believe one of the problems we've had in the Commerce & Industry Board has granted exemptions that should not have been granted under my interpretation of the initial philosophy beyond this section of the present constitution. If any period of time is too extensive a period of time, give the industries, we've had testimony relating to the fact that some industries come in for nine years or a certain period of time and then remain for an additional five years by which time they have been granted industrial sites by the local area, this does result in the fact that no property taxes were collected by the municipality, secondly, that no property taxes were collected for the different equipment, buildings, that were left into this area. As a result we have the corporations moving into certain areas breaking the population, making great demands on the area for roads, schools, sewerage, and many other types of undertakings, and leaving, and leaving the area to hold the bag. Also, certain witnesses came forward and said that subsequent to the time when this ten-year exemption goes out the equipment and so forth is placed upon the rolls at the same amount as the initial cost. Now I believe that this section should not be adopted at all in toto, as this encourages people to go forward and attempt to dismantle right after the ten-year period, if you use the method of having either a gradual build-up of a tax over that period of time that the local area, which is providing the services can get some type of recoupment to offset the many expenses which occur during this initial period of time. I believe this is something to the local area. I believe we've heard testimony to the fact that this is a tremendous burden upon certain localities, and certain areas and remove some of this burden from, and therefore there should be some type of random authority so that this type of exemption should be able to exist, but I believe that we or we should have some type of legislation to make some type of philosophical decision on what the purpose of the industrial tax exemption is. Is the purpose of it to create jobs or is the purpose to bring in additional property to place on the tax rolls? What is the reason for this exemption? It is stated that the state currently has led to a tremendous number of abuses and as pointed out in testimony before our committee, the many applications which have been heard of and recently received, all except for one was granted, and we had pointed out the property assessed by the company, an industry which could not go outside of the state, an industry which through its own corporate internal regulations and so forth could not, but subsequent to testimony heard by this committee, the Commerce and Industry Board then decided to revoke their initial granting of this exemption. I believe they have many problems with the present section, and I don't think we can get rid of these problems with all our efforts in the construction because we cannot foresee what the problems will be in the state five years from now, ten years, or fifty years from now. We have to allow a certain amount of flexibility to the state the same way the state cannot allow the state legislature to be the ones who decide whether the parish of Orleans must grant an exemption to a local industry. Such an enterprise or the parish of Jefferson or the parish of Plaquemines does not want a certain industry to come in, they should have the right to object, and have this as just something that can be a request. People from the Commerce and Industry Board say they listen to these people if the parish officials came forward and objected, but we also heard that the different ones who were involved, at least the assistants, were not always coming forward in some instances they did notify the police juries or the city councils involved but I don't believe sufficient information was given to us to what was even done in every instance. But I believe there must be some provision in whatever type of act we create here that will allow the local governing bodies and any local governing bodies to object if they don't want it. This would put them in a situation where they would have the right to object with these different industries. And in my opinion is the thing that they're going after, not because there is an industrial tax exemption, why should I let some agency that is governed by the governor of the State of Louisiana go to the governor and work out some kind of a deal and then come into my area and exploit the river, the property, exploit the taxes in my local area, without my area having some kind of bargaining position at all. I don't think this is fair. I think there are many inequities in the law. I think it is something that has been totally abused, and unless some type of better form can come up, I think we should totally reject it. I've heard testimony from many people and spoken to people. I think that Mr. Chehardy has many excellent ideas in this area. He has indicated that there are billions of dollars that have been removed from the tax rolls. He has further indicated that the pitance granted to the homeowners is nothing compared to that which the industry got. We've had testimony in the Commerce & Industry Board if we must not adopt this particular section, I feel there are many problems in this area. If you adopt it in total, you'll get right back into the problems we have here. We are once again passing a rubber stamp of approval upon the acts of the governor and Commerce & Industry Board, which we have so painstakingly gone through the testimony to attempt to find out the basis of their views on whether any industry should be granted an exemption or not, you'll find out they have no basis. In some instances you'll find they are granting exemptions to industries which have very few jobs. I feel that in some way we must grant the legislature the right to determine and the mandate to establish guidelines for the Commerce and Industry Board. I don't believe we should adopt this particular article and section in toto without amending it in some way to provide the things which I have stated before.

RAYBURN: Let me ask the staff this. Since the state is out of 5 3/4% of the revenue, does the property tax business anymore. What are we applying this to?

DUNCAN: I think this is all it can be. Local taxes, special district taxes and that kind of thing, but it is granted by the state through the State Board of Commerce and Industry as distinguished from Section 22, Paragraph 22 of this same section which authorizes the municipalities in the

RAYBURN: to give it to municipal taxes. It was just asked what tax the state now involved in? We're involved in no property taxes as far as I know since we repealed the 5 3/4% ad valorem tax.

MAUBRETT: Mr. Chairman, on page 95 "the State Board of Commerce and Industry with the approval of the governor, I want to make an amendment to that and add "and local governing authority and assessor may enter into contract."

RAYBURN: Do you offer that as a substitute motion to Mr. Plantchard's motion?

MAUBRETT: Yes to Mr. Plantchard's motion that we adopt all of Paragraph 10. Now over on the next page, page 96, on line 5, I want to get something understood. I'm a little confused. It says "no exemption shall be granted by the manufacturer of any local governing body for a manufacturing establishment actually engaged in the manufacture of the commodity in a closely-competitive article without written consent of owner of such existing manufacturing establishment to be attached to and identified with the contract of exemption."

VASHOUN: That means "property location" within a parish or a radius of somewhere? What I'm thinking about is a match factory right outside of a metropolitan New Orleans, right on the borderline of St. Charles Parish. Somebody else is going to come up and put a match factory in Jefferson Parish and it could be right next door to it.

The substitute motion carried with a 10-3 vote by the committee.

VERBAN OF QUESTION AND ANSWER PERIOD OF EARL WILLIS

WINCHESTER: In reference to Article X, Section 21, the second paragraph, says that "in the event of any additional tax or license being levied nor shall any such additional tax or license be levied nor shall any such additional tax or license be levied upon the assessment of land." Is it my understanding that that applies only to the land itself and
I paid. I felt. Do is not, don't, now absolutely year statewide, that As don't that not, the taxed to is fact. I want get it. If you or is very.

RAYBURN: We are in favor of the way it is now written. The way it is now written says that there will be no additional valuation of the land because of the presence of oil, gas, or other minerals under land, and the tax would be limited to the severance tax as it is produced. We have no objection to the assessor's classification, as to revenue-producing or not revenue-producing.

WINCHESTER: Say oil rigs or oil wells in the ground and oil on the surface and pipe and such. We've had differences from time to time in the way the oil people and they never had tested it but they live to say that is the severance tax in lieu tax. How do your people feel about that?

WILLIS: Mr. Winchester, in the 1921 Constitution the very same problem was brought up. As a matter of fact, at that time the oil industry wanted to have it fixed so that it would be instead of 20% they would go to 30 maximum on severance tax provided it would not get any taxes on the oil wells and moveables. But that fell flat and the sale on taxes and moveable effects. We have no objection to that. Because I think everybody should pay taxes if you own property. But I'm not saying we should tax the oil industry. It is not the land I want to tax involved, but the companies taking anybody who owns property. Our problem is if this constitution were to say "we are going to increase the value of this land because there is oil or gas underneath. We feel that the severance tax that is now being paid is the fairest tax that could be paid because you are paying exactly the proportion alone as the property is being sold. And the legislature regulates the amount.

ROEMER: Was there a subcommittee recommendation in regard to Section 21. I'm a little bit confused as to what the subcommittee did recommend. I would just like to make that clear, if they did make one.

RAYBURN: They probably have one but I don't think it's been submitted or either discussed by the whole committee and I don't know if they have one or not, Mr. Roemer, I don't believe its been discussed by the whole committee.

SCHMITT: It is your position that assume a person owns a piece of land say one acre of land and has got $56,000 of royalties coming in from that land for a year and another acre of land next to it, but he don't have this income coming every year that there should be no considerations in your ad valorem tax base just because that an income coming in every year. Is that your position of your organization?

WILLIS: Yes, the reasons for that I have just explained is that it is felt by the land owners that the fairest way in the world for you to collect taxes would be for the owners of the property to pay. This means that when you give an oil and gas lease, you give oil companies you are going to give seven out of eight barrels when you sign the lease. And when it is produced it is paid proportionately by the owner of the mineral being produced. Therefore, the oil companies are paying seven-eighths of the taxes and the land owner is paying one-eighth. But if you take the one-eighth where there is a potential oil and gas you say there is or is no oil then you're making the land owner pay an ad valorem tax on what is there and in addition to that when you start to produce it you charge him ten and one-half percent.

SCHMITT: So in other words you say that if there is a feeling that the tax for some reason should be increased that they should not increase as much as based upon ad valorem for the value of the land itself but should go up based upon the amount of the barrel or some other way with reference to severance taxes. 

WILLIS: Based on the severance tax because it is the fairest one. Let me give you an example. I think all of us agree that geologists are educated persons and tell oil companies where you're going to find oil and gas. And we do know that you can say "well, give an estimate on a reserve." But that would really be making geologists out of accountants so to speak as to who would determine that.

SCHMITT: I understand your position and I hadn't understood it before and I think that parts with reference to the seven out of eight makes it a lot clearer to a person who owns the land who might have to pay the 20% in property taxes that the actual income he should gain from the land.

CHAMPAGNE: I just want to compliment the speaker who turned up some of this opposition. I understood it all wrong on severance but the point is that would you be happy with the statement that the only tax on oil and gas in its natural state shall be severance tax? Is this correct?

WILLIS: That's correct.

CHAMPAGNE: O.K., now what we're trying to do is put it in simple language and I think that did it and all of these other things you're not saying, you can't tax these underground taxes you can't tax the tanks, you can't tax all these things, but the biggest point I think you cleared up is that you don't want somebody to pay taxes on something they might not have. You want them to pay taxes on something they do have and when they do get it and they have it you certainly, most certainly, tax them.

WILLIS: Yes sir, we would like to retain specifically the first sentence in the paragraph, the second paragraph in Section 21, which I read, because that makes a prohibition. No further additional tax can be placed because you would have oil or gas in places.

BROWN: Would you tell me what the Louisiana Land and Royalty Owners Association is? I get some things in the mail all of the time and I don't, I really don't know what your organization is, where it is located, and Don't you have come kind of tie with the Atchafalaya Basin group?

WILLIS: Land and Royalty Owners of Louisiana was formed in 1962, the purpose of it was, it is a nonprofit corporation, nobody gets money except for Col. Doendorf, he wants his expenses. We assess each member on just being able to run an office, they have an office or we have an office in the Whitney Bank Building, it's a very small office in which we simply handle correspondence and check on legislation, and we advise owners of property who are members of our organization in what is really going on in as far as land was concerned.

BROWN: So it is a statewide organization.

WILLIS: It is statewide, as a matter of fact we have members from 60 of the 64 parishes of Louisiana. We have directors of that many parishes also, it is absolutely nonprofit.

BROWN: Well, do you have a tie, is it strongly oriented toward what's going on in the Atchafalaya Basin? Or why, I don't know why I think that, I'm just curious.

WILLIS: Well, it happens that I'm chairman of the governor's Atchafalaya Basin Commission but it is not in any way tied down to the Atchafalaya Basin, none whatsoever.

DE BLIEUX: Mr. Willis, sir, would you consider that a reasonable provision with reference to severance taxes would be that there would be no taxes on natural resources in their natural state? But taxes may be placed upon those resources when severed from the soil or water, would that be considered fair to the . . .

WILLIS: Yes, it is a question of how it is worked. I felt that, we feel that the way the first paragraph, the first sentence of the first paragraph of Section 21 is correct, which says, that the state constitution says that they shall have the right to get it taxed when it is severed from the water or the soil. Simultaneously with that, we would like to have the provision of the first sentence of the second paragraph which states that increase landowners value of property simply because you have oil or gas under it. Do I make myself clear?

DE BLIEUX: Well, yes I can understand, but don't you think that that provides protection if you say that no taxes shall be placed upon natural resources in their natural state?

WILLIS: I think I understand what you are after. We have no objection to that at all. The beginning of that we are not getting into the question of sulphur. As you know sulphur mines and salt mines are rather peculiar since they are solids and they are mined to produce in a different way in the severance tax, so to speak that you use a different way to

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WILLIS: I will say this and then I suggest you get someone else. For instance in an oil, gas, or mineral lease if you will note and most of those who will tell you for oil and gas and mineral leases essential that it's one dollar two dollars for one ton. It is a little bit different but, as I say, I would prefer involved in the sulphur, it's a specialized type of mining and there are very few places where sulphur is mined in Louisiana. Because of that special treatment since the Constitution I feel this committee would be better off to hear what they would have to say from that industry.

VERBATIM OF LAWRENCE CHERNHARDY - July 12, 1973

Sen. De Blieux represents the man who sued for 100% assessment across the board in the state of Louisiana. He sits on this particular committee, and if you could tell me that he is still fighting that case, which is the subject of an appeal and that he is neutral to the people of this state, it would be some kind of miracle if you could say that.

He represents a certain vested interest in defending that case, and as far as I am concerned, as an attorney representing his client if it would be mighty difficult to sit on here and talk in a manner that would at least be 100% fair to the advocates.

Mr. Roemer, for example who gets up here and pleads for the poor people, in who owns the largest fraction of the Diary Processing and what is exact ownership I don't know, but if wants to know who is going to pay for the benefits to the rich Mr. Roemer should consider this right now. Mr. Roemer Diary Processing enjoy's 765,075 of tax exempt property in this state. Whatever advantages they enjoy on the thousands of dollars of their company's lives which is the solid style I understand, is up to him. But that is Mr. Roemer.

We have another potboiler on this committee, who we will probably get from, and I do not know about him and presents and is a member of a firm that has $758 million dollars of tax exempt property that they represent which shows yes that these are the worthiest interest in seeing the state of Louisiana taxed.

These are traditional potboilers that are talking for the vested interest who blanked rap the tax coffers of this state. Just this year we have and in three meetings of the Commerce and Industry Committee 4,5,6,8 and 15 a total of 167 billion dollars of assessable property taken off the rolls. Where is Mr. Roemer? Where is Sen. De Blieux? Where is Mr. Blieux? Where is Senator Blieux? They're citizens, they could have run up there and said, " Gentlemen, gentlemen, you're the money makers. When your taking money from the poor, from the homeroencer, the property owner, these people are the most silent you have ever seen.

Now, Sen. De Blieux made the remark that $200 million dollars of that is going to be lost. This is not true, $200 million goes to the fund to the property tax relief fund, the most that was given to the people while the homestead exemption fund existed was $78 million dollars. The assessors had frozen the constitution and passed the people, $200 million. There is presently $80 million guaranteed as a base for revenue sharing. When it is met because they brush aside the fact that $5,000 is already given in a veterans exemption. They brush aside the fact that $6 million is removed from taxation. There are others who are going to have to pay to ked the cause of their employer, and that is understandable.

They are the ones that are able to come up here and say let not shift from the tax industry. There is no shifting of tax to industry. Actually all we are trying to do is to make certain that the people of the state are protected, and I believe that it is essential that the truth and justice of the issues come out.

This plan was conceived out of the assessors of every parish, with 2 voting against.

Actually, Peg, as I understand it, the basis for going from $2,000 to the $80 million, was the $2,000 homestead established in 1934 and the $5,000 veteran and coming up with six figure with the $80 million, as I understand it, which is presently guaranteed in the constitution which is the most ever returned to the parish prior to the destruction of the homestead exemption and making little difference as far as the shift is concerned.

Here's the point- we keep hearing the proponents of shifting the taxes from the property owner. Congress has never been able to bear the tax burden of the state. They keep using the simple plaitine plea and they sound sad and concerned. Where is the money going to come from we as assessors sit in the position of defending the people.
of La. who are 90%, 80%, 70% of the people that are human beings and the backbone of society. They are the homeowner and the property owners. It would not stand up and talk to them, the
representative, the De Bliueva, the Conroys, people who represent the billionaires. I'm telling you where to look we and the millionaires. I don't see the suit that Mr. De Bliueva is involved in, fire of fire to
Mr. Roemer's family, their exceptions and see whose side they are, naturally going to take for the people where the money is going to come from for that $6 billion dollars. We spent years and months arguing an industrial exception and yet when it came before this committee not a single one of these people stood up and tried to make a case. I'm appalled at the people of La. to take that exception.

Slay: We're criticized Jefferson pretty strongly about their bill of assessments and I said Roemer represents, will show you that enough of a person to make Mr. Jefferson assess their property as high as 20%. However, in one of our northeastern Louisiana passes one of the laws that has their property assessed as low as $1.00 per acre, now I don't believe Jefferson goes much lower than that. Now I'm not trying to point out that on us, we've got his problem all over the state, it's not just local, it's all over the state. Now whether these percentages the assessors have are right or wrong, once you get away from the 106 it's like breaking the ten commandments, you're guilty of breaking them all.

You can't say that 901, 903, or 701 is right, you've got to say what is right for La., you can't look at what is right for Kentucky or Texas or some other place. We've got to look at what is right for a business man, and with some percentages here that does not pass the burden on the business man, in fact it reduces the assessment on this merchandise. It does raise some allowances, looks on the utilities and the pipelines that have not been bearing their fair share of the load and it does raise some assessments on land and will reduce the assessment on some lots. I heard one of the people that questioned Mr. Mims closely pointed out that we showed there if you look down and read the whole deal thing we show all this coming from pine land at 4 & 5, hardwood and everything. There you look at the whole picture at 5%, it's about all a man can stand.

Chehardy: I have not made a vicious attack on anyone, I have set policy and I watched these potboils with these people with an eye to get away from attacking viciously the assessors for no reason. They are just one job with the rest of us is to come up with a plan, and I merely let out the facts on who these people represent. For example, I'm not like Mr. Slay who is so kind and when he referred to a dairy farm of over 2,500 acres in the northeastern part of the state, I wouldn't say it like that. I would say the Roemer Dairy of over 2,000 acres has an average assessment ranging from $1.00 to $19.00 per acre. If this land is worth a 1,000 acres then that's 2 million bucks meaning an assessment of less than 11. You know I'm not certain on the values but I believe that is a rough estimate. Mr. Roemer's family can best tell the true figures on this, but we have a list of all the acreage here for this little man who laments that he doesn't have that's assessment ratio. Be that as it may, Mr. Schmitt, I only answered truthfully and with facts. When I said a certain member of this committee's law firm represented 760 million Dollars of industrial exceptions I gave the page in Memorial Hubbard. When he talked about industrial exceptions in this kind gentleman Mr. Roemer who laments what he taxes on the rich, despite what he says I stated what the exceptions were.

Chehardy: I was just checking my notes here and I just wanted to state that the title is listed under Charles Roemer and not Roemer Dairies.

Roemer: Are you referring to any property that I own assessed at $1.00 per acre?

Slay: I am referring to your property that is owned assessed to Charles Roemer, 11.

Roemer: Is that me? I don't know who Charles S. Roemer, 11 is but I also looked at one assessed, let's stop stop stop it, it was don't tell me your, I don't call you r name. When I'm in the paper when you said that the assessment plan was a sham we are trying to fool people. I began to check that data up and do here. I found out that maybe the assessor's did have but there was another sham going on also. And this was listed under the name of Charles S. Roemer, 11 and there was another assessment to me that I want to talk about.

Slay: Mr. Chairman, in answer to that we had a proposition by some people to have it published in the paper. All of those maps are public records in the commission and look at them, you can go to the clerk of curts office in your parish and look at the list of the people who are assessed, office and look at them. They are now published this three times if you want to look at them, They're not secret records. Now, if anybody want to take offense at what is said here, let's just take a look at all the things that have been said down the line.

VERBATIM ON STATEMENTS MADE BY ED STEIMEL, DIRECTOR OF PAR.

LOWE: Mr. Steimel, will you take note that I am here this morning I'm going to make a proposition, I'm going to be for a moment that we have a record vote on all those things we like and dislike to increase the number of record votes and industrial exemption and you see for a moment to speak about something that might not be completely germain with the subject matter, and Mr. Steimel will commit to an answer of questions, I will appreciate it. First of all, you made a research of a representative sample that is most important, Mr. Steimel?

STEIMEL: A representative sample?

LOWE: Or how it's being researched. Well, I was speaking about the voting record. Record voting, Mr. Steimel.

STEIMEL: We did not take a representative sample. We took all of the votes.

LOWE: Well, I might point out just how distorted all of the votes are. If you will have your research director go back and look at the first seven days of July, which was a rather slow start to the convention, you will note we were involved in procedural matters and there were not a whole lot of record votes. In fact, the first day there were no record votes, the second day there was one record vote, the third day there zero record votes, the fourth day there zero record votes, so there were the first seven days there were very few record votes. The fact is, in your sample, say for one month, the last four days of it, you can imagine how many record votes there were.

STEIMEL: I really wouldn't know. I didn't do the tables.

LOWE: Would it surprise you to know that there were 63% of the record votes in the last four days? That would not surprise you? Well, do you consider that a representative sample of someone that was absent for four days to gauge his contribution to the convention on the fact that he voted less than 50% of the time based on four days?

STEIMEL: No, and let me say that this will not be the end of our reporting of this sort. We will be doing this again and we will also go further on probably still another report and give you public information as to how convention delegates voted on some of the most critical issues. We think that this is important also for the public to know about.

LOWE: Well, I'm sure going to have to improve, Mr. Steimel, I have no doubt about that. The thing that concerns me is that I believe PAR's report, if the director had looked at it and seen that the last four days included 63% of the entire record vote for the period, and we were to gauge a person's interest in the convention to report back to his constituents, Mr. Steimel, that is probably one of the most gross, my children use that word when they are speaking of something is really, really, really cut and not with it at all, this is one of the most gross examples of irresponsible reporting that I have seen since I've been in this house and in the convention, and I say that with all sincerity.

STEIMEL: I think that everyone here knows that Monday Lowe is one of the most respectable people in the state and one of the people I respect the most in the state. We did not want to hurt anyone with it. We felt by reporting on the record for the first month, that there is still five months, and that there is no one that should have a bad record at the end of the convention. This is one of the reasons we did it. We were attributed complaints by a lot of people that they had complaints about the inattention. We simply thought we could make a contribution by simplifying this on the legislature. We know full well that in the last week of the legislature, more record votes occur than that are reported to take care of the race that you were not there. I regret what was implied to some people, but I am saying that this is not at all we will be reporting, and the record will look good and I think not only yours but everyone's contribution to the convention has been outstanding.

VERBATIM OF MEETING OF COMMITTEE ON REVENUE, FINANCE & TAXATION

SEPTEMBER 14, 1973

The meeting was called to order by Mr. Rayburn and the secretary was asked to call the roll: [706]
Champagne: Mr. Perez, do you think that there is a possibility that if the state ever did get in the property tax business that we would require statewide imposition—and I'm thinking very much along your line, but until we resolve this tax problem, in other words, this ad valorem tax problem, I can't definitely say how I'm going to vote on this issue.

Perez: One of the problems we have with this property issue—if for no other reason than getting to this property tax business, we're going to have to make provisions just like this, and we're going to have to find some way to give local government the authority to raise their own funds. One of the considerations we had in this section, whether we like it or not, about the only real thing that local government has is the property tax. In other words, while we might get away from property taxes as a base for local governmental bonding, we simply don't think we can get away from this. It is designed to at least assure that we do have some kind of control for both the state and the state move into this field, and for example, levies state property taxes, is this obviously going to make it very difficult for local government to use this as a base for bonding as it does now. For that reason, we felt that as Mr. Perez pointed out that since the state has gotten out of the field, that it would be proper to give this source of revenue to local government because it is so important.

Champagne: One of the reasons why we have a low tax base is because of the low assessments. How are you going to have a base for your bond issues, if you're going to assess things for five percent of their value? I submitted yesterday that I was considering that I wasn't satisfied that your proposal was sound.

Rayburn: Do you think, Mr. Perez, that the legislature should be constitutionally prohibited from ever entering back into ad valorem taxes as contained in the language in Section 377?

Perez: Just as much as I think that local government should be prohibited from imposing an income tax or a severance tax.

McDaniel: Reference has been made here to the conflict that we have. As I understand it, the only conflict we have is that we don't have any prohibition against the state getting back into the ad valorem business. Is that basically the conflict between the two committees?

Conroy: I still wonder whether there is a corollary of this proposal that your committee considered that the constitution should not contain anything connected with ad valorem taxes.

Perez: That presents a great problem because of the fact that if the state imposed any substantial ad valorem tax then it would virtually destroy the ability of local government to raise any funds. Suppose the state decided to come in with a 10, 20, or 30 mill tax? Where would we be? I believe we now have a five-mill limitation -- a five and three-fourths mill limitation--before it was taken out. You can understand that the language is virtually meaningless in harmony with the ability of local government to raise funds if it were completely left open wide to set the total statewide ad valorem taxes, then local governments would really be out of business.

Rayburn: Mr. Perez, let me tell you why I'm leery of it and certainly if the local government can raise the revenue it would be a great relief to the legislature. But several years ago, we gave the parish the right to levy a one-cent sales tax for the purpose of giving the teachers a raise. In my opinion, we made it possible when we did that because we gave the authority in most parishes that have levied the one-cent sales tax and they're right back to the legislature every time we meet with the same problems they had prior to the time we gave them that authority.

Perez: The theory of education has always been partial support by the state and partial support locally. I don't think that's inconsistent with the one-cent sales tax.

Conroy: My question still hasn't been answered. My question was that if this proposal were in the way it would, in my opinion, would your committee then take the position in regard to our proposal— do the constitution should contain nothing with regard to taxation, or would your committee then take the position in regard to our proposal— that the constitution should contain nothing with regard to taxation? I'm asking it to equalize will go out of the window yet that we would be able to have a system almost like we have now. I said as far as my committee is concerned, we have not considered it at the one-cent sales tax or would our committee and as far as the committee is concerned, we have not considered this matter at all.

Goldman: I believe my question has been answered, but I'm going to ask it to equalize will go out of the window yet that we would be able to have a system almost like we have now. I said as far as my committee is concerned, we have not considered it at the one-cent sales tax or would our committee and as far as the committee is concerned, we have not considered this matter at all.

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section in our proposal, wouldn't the last sentence here in "political subdivision" should be exercised as provided in this consti- tution, and wouldn't that then be adequate? Even though the local entities would have the ad valorem taxes. I would still like to do it on an equalized basis all over the state.

Mire: I'm not sure if I should ask a question or if I should make a statement about a meaningful homestead exemption for the program. We've discussed this back and forth with the Assessors Association and the fact that we do have a court case that does now say that we do have statewide equalization, we feel that the state will be in a situation where they can get away, if they want, to the ad valorem tax field. We would hate to say that couldn't if this should be a part of in fact having a meaningful homestead exemption. I'm sure, Mr. Perez, that you're very conscious of us not at this time having any losses as far as local government is concerned, due to our exemption program. We do in fact receive these monies and the local taxing authorities do in fact have these monies to spend in their local areas. The only way we can have a meaningful homestead exemption is to continue such a program. To continue it, we would have to some sort of property tax relief. It is Revenue sharing is not going to be the answer. It's costing some parishes money now. So the state very likely will have to be in some way the ad valorem tax field. I would certainly hate to have to close that door and say to- day to all the people in the state that you're not going to have homestead exemption anymore, or you're going to have it, but it's going to be absolute in the constitution, but the local government's not going to have the money.

: As I see it, there's no relationship between homestead exemption and prohibiting interest on the state property tax business. The state could still come along and re- quire on a statewide basis that everybody be assessed equally. So the question is, of course, a question to the people between this Section 37 that would prevent the state from getting into the property tax business and homestead exemption. I assume the state prohibited the imposition of tax on the $2,000, but then they would find a way to make that money up from another source. Nothing to do with whether the state imposes an ad valorem tax.

: It does in that sense, but you will have to admit a meaningful homestead exemption program would have to be money that would be reimbursed to the local taxing authorities by some other agency.

: I have no quarrel with that. Some way or another you prohibit the state or local government from imposing tax on certain assets that should be the state's responsibility to reimburse them in some sort of way and the homestead exemption system worked well except that the courts messed up on it.

Mr. Roemer: Mr. Perez, to continue the line of questions on the ad valorem tax, -- because surely on the floor these questions will have to be answered, perhaps more directly than you're doing now. You said, at least intimated, in the way the section is worded is that the state understands that one need for local government to have a tax source that is reasonable and can expand as the community grows, which obviously is the property tax source--at the same time obviously, that all parishes are not the same. In other words, this particular source grows at various rates in various parishes, etc. Now that leaves us with those two things; the importance of the source and the variety of the economic scope to the source. Wouldn't that lead you to the conclusion that if we adopted your section, that we would not have a state- wide homestead exemption, on the other hand, the same homestead exemption wouldn't necessarily apply in Jefferson Parish or Bossier Parish? What's your feeling on that thing. I have you all given it any consideration.

Perez: I don't understand the relationship between the two.

Mr. Roemer: Okay, if you have a statewide, a single statewide rate of assessment on a single statewide homestead exemption dollar figure, that means that the $50,000 house in Bossier Parish will be exempt as in Jefferson Parish. But the number of such houses in Bossier Parish might not be the same as in Jefferson Parish. So the violence done to the base, the tax base, is not the same in each parish. Do you think it would be a bene- fit to leave not only the authority to the local area but to leave the rates to the local area in this homestead exemption to the local area? That's what I'm saying.

Perez: Going back to the fact that you were trying to push me in a bowl of soup with regard to the ad valorem tax program which, as I'm here as the chairman of the committee stating our position--we have no position--on that because we haven't taken up that matter. But I still don't see the problem that you posed because of the fact that prohibiting the state from getting into the property tax business has nothing to do with the homestead exemption problem. They're just not related.

Mr. Roemer: Is it going to be the position of your committee that the state is going to be constitutionally prohibited from being in the property tax business? That would not pre- vent the state from exempting your very base.

Perez: My contention is that it's one thing to say that the state can't share in the proceeds, but it's something else to say that they can't do the best they can with the fund which in effect puts them in it, by taking you out of it.

Mr. Roemer: It's my understanding, when we had the state property tax fund to reimburse the parishes for the homestead exemption, or the property tax relief fund. The property tax relief fund came from another source altogether.

Perez: Mr. Roemer, to follow what you were saying, if the state was out of the ad valorem tax possibly there would be no need anymore for a statewide equalization and with no need for state equalization how can you then administer a good and just homestead exemption program. It's impossible.

Mr. Kean: I don't really see any relationship as Mr. Perez has indicated. If there's any question as to who's in the property tax field and the question of homestead exemption applicable is related to the parish, and the additional taxes and incidentally the state was in the business to the extent of 3 1/4 mills. If the state interest in the homestead exemption is the desire to protect the revenue against seizure from taxes. Under those circumstances, the state, in opinion of the city of New Orleans, would have to fund some homestead exemption program regardless of whether it's in the property business or not. I agree with Mr. Perez, there's absolutely no relationship between those in the property tax field and whether or not you have a property tax exemption. Now it's obvious, I think that if the state said every home throughout the state would be exempt from taxes period. That would take away the base that the local government would have so far as the issuance of bonds or regular taxes or ad valorem taxes are concerned. If the state is going to provide a meaningful homestead exemption it's got to provide means by which it's going to give back to local government the amount of money that is represented by the exemption either throughout the property tax relief fund method that is frequently used or the revenue sharing program that is being carried out in lieu of the property tax relief fund program. You've got the mechanics that have to be worked out by which local government is going to be protected. But in final analysis, there is no relationship between the state and this field.

Mr. Roemer: I'll conclude my questions by making the final point and that is exactly my point. Mr. Perez, I've said that you have Section 37 done nothing to protect the potential source of revenue, vis a vis, that's my submission, because it's not enough to say what the exclusive right of taxation is. The quality and the guts of the issue is how you determine who owns the tax in the case of the homestead, and the way it's protected. If the state says you've got to share in the proceeds, that is the problem, I think, because it's not enough to say what the exclusive right of taxation is.

Mr. Slay: I want to go a step further. As I listened to Mr. Perez, he said that if the state gets out of the property tax field, equalization would probably go out of the window and that is a new thought that our committee adopted. For instance, each parish would make its own assessments.

Mr. Roemer: I might repeat again, I'm speaking as the chairman of the committee—we have not taken up that subject at all. If you ask me a question I will either a single statewide homestead exemption dollar figure, that means that the $50,000 house in Bossier Parish will be exempt as in Jefferson Parish. But the number of such houses in Bossier Parish might not be the same as in Jefferson Parish. So the violence done to the base, the tax base, is not the same in each parish. Do you think it would be a bene- fit to leave not only the authority to the local area but to leave the rates to the local area in this homestead exemption to the local area? That's what I'm saying.
Mr.: I understand that, but you have to think of what the object would be, and what the courts would think.

Perrez: In recent cases in discussing the matter with several people who are knowledgeable, I'm satisfied that if the state is out of the property tax business then there's no real need or requirement for a statewide equalization assessment. Going back just a step further, Judge Reuben took out the old provision that provided for money for homestead exemptions. He kicked out the property tax relief fund on that very ground.

Yes, that's correct if you go back to reimbursing on the basis of assessments and you don't have the quality of assessments, you're right back in the problem again. I agree with that, completely. Again, I'm trying to point out the fact that who imposes ad valorem tax has nothing to do with the homestead exemption.

I'm not so concerned about the debate, between the Senate and the House, what I am concerned about is that we have so-called a property tax relief fund that will actually pay the taxes on homestead for a person who does pay homestead exemption so that that will be included in the tax base. See, under the revenue sharing my homestead exception is not included in the tax base, and under the a, a, my parish loses that much in their banding taxes, see, that's the thing.

I want to ask you what your committee though of some way we're supposed to get out of this--we're providing now with our provision dealing with the debt increase in the same language I think that Mr. Rayburn has a constitutional amendment that calls for the last session of the legislature. We've solved that problem, I hope that it will get the money back to the state.

My word is this, I feel that revenue sharing is suitable for the homes that did not fall within the thing of going to take it out quicker than through the property tax relief fund, cause I can see myself all kinds of errors in that thing. While we're tracing it, we might as well face the whole thing, and come up with some kind of answer for revenue sharing.

Again, I just want to plead my committee's concern, there's no direct relationship between this Section 37 and the homestead problem. I can understand the fear that if you don't have a statewide property tax then it will not require the equalization of assessment. And then on the other hand, I just can't conceive of how you're going to get the entire state on an equalized situation, that creates a real problem.

But, Fred, I can see where you might have later on down the way if the legislature decides at a later date to raise the homestead exemption from 2000 to 5, you would have a serious problem if you were paying your 2000 fund and then they raised it to 3000 or 4000, or 5000 which that has been discussed by this committee. Whether this Section 37 is in or out, we still face that same problem.

Mr. Keen: That's our tax expert--the situation you were raising a few minutes ago about the not being any connection between the homestead exemption and the property tax, I don't think that's exactly the situation right now. That was the reason for Sen. Rayburn's constitutional amendment. The present provision in our constitution absolutely exempts $5000 of homesteads, there no's or but's about it in that and that's the argument was when it was presented to us that it would guarantee that exemption from taxes. The state is out of the ad valorem tax business all together and if the property tax relief fund is reinstated, and it can't be if the state is all together out of the property tax relief fund. If it's not reinstated, don't you realize there'd be no connection whatsoever with the state insofar as reimbursing the local individual amount of the taxes they would lose by the homestead exemption. You've got to have it.

We are now at a halt in the convention. We've got to have some type of tax to support local government. With the homestead, and in the state process --- which at this point will reimburse. The severance tax we did not --- for local government and the tax. Ask Mr. DeBliux, he has seriously asked the committee about putting a provision in here that would provide for levying income tax or land use tax by a vote of two-thirds of the legislature. And anywhere else we can --- it may be essential to move in that direction in order to get local government sufficient money to operate. The committee voted that

ship between the taxpayers of our state and the views of local government have not been sufficient that this is one area where our state has now gotten out of it this year.

Rayburn: It seems to me that it keeps popping up in this conversation about Section 37. That the homestead exemption has a bearing and evidently some of you are getting confused that the old property tax relief fund still exists. Sen. De Bliux, and I can't see any way that we can tie into what is generally our revenue sharing with homestead exemption. We know what will happen with what we have changed, that from 100% property tax relief fund to 50-50, now it is on 80% population. And it is nothing to do with homestead exemption.

Mr.: What did they do with the other 20%?

Mr.: 20% is homestead exception. It is just like when you take 20% cattle, 20% land. Would you consider that the same as taking care of property tax relief fund? Would you consider the court the rule that these revenue sharing is now taken care of by property tax relief fund?

De Bliux: It wasn't supposed to take care of it.

Rayburn: Well certainly it was. It seems to me that what we've done is exactly what I've been trying to get over to Sen. De Bliux. We have no more property tax relief fund, the homestead is something that the state has given to the parish or to the homeowners simply for protection. But today we come back and raise it to five thousand dollars ($5,000) or ten the sand dollars ($10,000) and a tenth percent assessment. You are eliminating every possibility of you ever raising any tax at all. I think the only thing we are considering shall be let the legislature, and it is my understanding that the last constitutional amendment passed in 1973, the state is no longer in a property tax business. We are out of it completely but we still have a provision that we can't get back in. I think what we are faced with here today is shall we let the legislature or shall we take the state from 80% the property tax then it is again not homestead exemption, not property tax relief fund, and not revenue sharing. Maybe some people think it all ties in but I...

Perez: I recognize him for question. Did you ask it yet?

Mr.: I asked it to Sen. De Bliux and I got no answer.

De Bliux: When you say twenty percent of the revenue bonds are paid for, twenty percent of the property, the revenue sharing ---

Rayburn: That is a long way from one hundred percent. Sen. De Bliux.

DeBliux: That is the same problem, everybody is bringing up homestead exemption and ---

Newton: Your objection to having a tax base in the property tax of the revenue sharing fund formula, are the parishes presently bondable?

Rayburn: As I understand it, it requires legislative action on a year to year basis. There is no requirement that there be revenue sharing, and therefore in my committee those are difficult terms bonding revenue sharing parts. I don't think we can do it at all.

Perez: Look, you do excuse me if I can provide a resolution, there is an ad valorem fund set up in the constitution, the method of distribution of that fund, who gets what, is not straighted out. I can't conceive of how anybody would provide bonds based upon not knowing from year to year what any particular parish is going to get out of it.

Mr.: Was there any consideration given by your committee to setting up a revenue sharing fund that would be bondable?

Mr.: Revenue sharing was assigned to our committee, all we have been able to do so far, on the behalf of my committee, was just a general statement saying that there shall be a

Mr.: Have you not taken it up at all?

Mr.: No, except to introduce just a general provision so that we would be able to take it up at a later date. We didn't want it introduced prior to the deadline ---

Mr.: This discussion here this morning has brought quite a few problems to mind. For instance, the $ 3/4 mill tax which in effect opened it up to the state to levy any amount of property taxes as possible without ceiling limitations. I believe that possibly the state should have faced up to its responsibility, down. In the general area, in which the state has the right to prohibit the tax. Some areas in regards to sheriffs in regard to limitations of funds for sales tax and use tax that can be levied by local government we think even that is a little too sticky. But in trying to build a relation-
particularly the assessors, and I don't mean to take
off on the assessors, but I do believe that this com-
mittee should give serious consideration to
structuring a meaningful property tax relief fund that
would give some real relief providing Fund could be
bonded.

Rayburn: You have another question Mr. Schmitt?

Schmitt: Should this Section 37 be read in conjunction with
Section 46, with regard to constitutional amendments
and the right to privacy, and a lot of the profit
raising?

Perez: If you would look at line 20, if you're talking about
the general homestead exemptions on line 20, on page 20.
We have a reference to including property exemptions
as homesteads to make it clear that are any bonds?
That would take care of Sen. Rayburn's problem.

Schmitt: That would alleviate the present problems that a lot
of the parishes are in except for Orleans Parish. In
other words, problems where bonding has been reduced
would actually increase the figures.
It would put it in the same position it was two years ago
before the constitutional amendment which took all the
revenue sharing, and the absolute 2000 dollars hom-
estead exemption.

In order to take the state property tax business it seems
to me that we really have to get to a long-sophistical
decision. I think some of the criteria that you have
established are confusing.

Perez: We are hopeful of taking what we consider to be a reason-
able approach in taking those areas where the state is
starting to raise their funds, say this belongs to the
state exclusively; like income tax, and severance tax.
On the other hand where the state is out of the property tax
business let's reserve that exclusively for local govern-
ment. The only position we felt was a reasonable approach to
present position the way we raise our funds to operate both
state and local government.

Schmitt: I still don't understand the objective of taxing and so
forth for homestead exemptions. I still don't think it
really relates; I think it's something separate. I don't
think it relates to Section 37 at all.

Let's assume that the state would establish classifications of
property. One of the classifications would be residential.
If you allowed the local governing authority the right to get the percentages of the different classifications,
you'd be allowing them the right to adjust the homestead
exemptions according to different assessments.

Perez: Then you'd be back in the same bowl of soup again. That's
why the Local and Parochial Committee didn't take the state
into all those details with respect to homestead exemptions and
property tax relief. The only proposal we have is to get the
state out of the property tax business. If you allow them to do that
we can only say our position is that they are not directly
related.

Schmitt: I would only as would this alleviate the problem.

Perez: As you know, you fellows argued and discussed this problem
for months and months. I would like to suggest to the
chairman that we have a committee meeting of our own to
discuss other areas to straighten things out. I think it's
a question of whether the convention wants to get the state
out of the property tax business, which the vote to
pledge the committee to move in other areas, to clean up
other conflicts between your committee and our committee.

Rayburn: We'll ask the staff to furnish you with where we think
there is a conflict and a copy of the proposal. Is that
agreeable? Do you have to leave now Mr. Perez?

Perez: No, I'm only saying that I was hoping that we could get
on to some other subjects. I was just suggesting that we've
discussed this matter thoroughly, I don't think we'll
resolve it and it's a question of whether we'll get the
state of the property tax or not.

Rayburn: Do you have another question Mr. Schmitt? O.K. Mr.
Champagne.

Mr. Champagne: I have just one thing that I want to bring up, Mr.
Perez. Since you have been here quite little while and the
other members of your committee, while we have completely
different views on this committee we can be solidified on one
thing, I think that if this is a problem that we could
best decide after the time which we could possibly come
up with some solution to the problem to property tax. Now
I want to reiterate my request that we would have a fixed
position on how to vote on this, once we could come up
with a solution to the problem. And I think that if it
would be at all possible, I would request that your com-
mittee give us some kind of a proposal to the date, at the time when it comes on the floor, at the request
of me. Now the thing is about that I agree with it,
there is no relationship necessarily between whether the
state is in the property tax business and the fact that
they do create a homestead exemption, on that basis, not
because the money may come from local bond. Let me just
point that I want to point out to you is that the tax
base is indeed influenced by the fact that if we indeed

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exempt all homes in the state, if we decide to exempt
all industries, if we exempt all other things in the
state, then that will mean to local bond in.
And a simple statement, in your line 20, on the next page
that you will include this exempted property doesn't
necessarily mean that the bonding company is going to
accept that. They may just go buy their bonds in Texas
or some place else. What that particular provision means
is that even if they aren't paying the tax, that would be
included in the limitations as to how much taxes or bonds
you could impose. All it means is that somebody else will
be paying that tax. Those who are in fact paying that
property tax.

Mr. Perez: I respect your opinion, to pass this but at some
stage in our local government proposal it's going to have
to show local government some kind of source of revenue.

Mr. Rayburn: Looks like we're in our usual stride this morning.
I have in the list and ... what's your pleasure? Do you
want to go ahead with this line of question or do you want
the staff to read the other proposals?

Mr. : Mr. Chairman, in deference to the honorable delegate from
Plaquemines, now that we've done, I will waive my name
on the list so we can proceed.

Mr. Fontenot: I think Mr. Perez's statement was right, I don't
think we brought out all the issues I think we are going to
have to be decided on the floor. What questions I wanted
to ask were asked previously. Now I'm in a state of con-
fusion, I'll have to look over this more closely. I don't
know how I'm going to vote.

Sen. Rayburn: Let's move on then if it's the will of the committee,
let's pick up the next section where you feel that there
might be some conflict between our suggested proposal and
their proposal.

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James: Next Sen. Rayburn would be Section 33 of Committee Proposal
17 which section has no tax base on any property, which
states proposal in that in Revenue, Finance and Taxation's
Committee Proposal 16, we allow the local political subdivision
to levy an occupational license tax rated higher than the
state occupational license tax.

Rayburn: Only upon vote of 2/3 members of the legislature, that
pretty much follows what has been done in many other areas,
and instead of writing that by making a constitutional
amendment to change something let's make it be done by a
2/3 vote of the members of the legislature.

Mr. Conroy: There's another conflict as I recall. Our committee's
proposal, we limited this to an aggregate equal to the
Senate, so that if you have incorporated municipalities with-
in the parish that the total of the local municipalities
in the parish taxes could not exceed the state occupational
license tax. Here is it your intention to have an incor-
porated municipality and the parish, could separately impose
occupational license taxes equal to the state occupational
license tax?
Norris: This is Committee Proposal Number 15, Section 4, Subsection C. There's an indication that the state shall not levy taxes on income of natural resources severed from the soil, water, or carbon fuels. And the local government shall not levy a tax that is political subdivision shall not be greater than those imposed by the state and the total amount of any occupational license tax levied by a parish shall be considered "by the amount of any municipal occupational license tax levied."

Rayburn: We're only trying to maintain the status quo. I'm sure the committee's agreeable to that.

Slay: In some parishes --- There's some states where you have millages that are completely out of hand. I know of one time in Vernon Parish they ended up with millage of 300 mills. That was used to get a property that was owned by a local farmer. It's the operating tax for the parish but I think that there should be some kind of a limit. I'm thinking of our own Parish of Rapides. We saw a lot of a lot of them down a couple of years, ago, right, now they don't usually vote some time up there and I do believe there should be some limitations.

Slay: I think in the community if we do get our homestead exemptions since most of the homes are of low value that if you sell to anybody this won't cost of the anything. These other people are going to pay for it.

Slay: I'd be glad to entertain—if your committee had any suggestions I'd very much appreciate getting them ahead of time and right there on the floor. When the convention takes this subject up but whatever you have I'd be glad to take a look at it to see if we can't come up with an agreement.

Rayburn: We haven't really discussed this Mr. Perez other than just briefly looking through. There was some discussion as to whether or not there should be a limitation, that's about the extent of the discussion we've had. If we do discuss it further and reach any conclusion I'll certainly get back with you.

DeBlieux: Mr. Chairman, making observations in regard to the provision in regard to the vote of the people. I don't see any objections to that, disclosing my surveys, where the votes have been taken on everyone voting on that, the tax issues are already passed since everybody can vote now. Before only the property owners vote for reason that many of the tenants and apartment owners feel like that tax is going to be passed on them rather than to the home owner which is subject to the homestead exemptions.

Lowe: My problem with this particular section would be that we are going to be in an area, on property taxes. In the process of developing solutions may end up with a tax base that is 2 or 3 times what the tax base is now. The home owners are presently taxed at the tax rolls at 64, 74 or 84. If we are successful in coming up with a proposition where we will come up with market value figure net value—and agree with you that the present ceiling is ridiculously low, but this would be an automatic two- or three-time increase right through. Then on top of that you come up with this ceiling here, you would really leave the door open for tremendous increases to business people and this is just not concerned about no ceiling in this particular area because those definitely appear to be a two-prong effect when you think of one four mill base or an increased ceiling would have a tremendous effect.

Perez: On the other hand, you take a parish like Caddo or my parish. Plaquemines—and set a five or ten or fifteen percent, you are going to bankrupt our parish if you can't increase it proportionately to come up to at least what we were getting before then. You are going to bankrupt us. Especially if you go right back to the same old problem—property taxes.

Lowe: A statewide average doesn't solve any problem in a particular parish. My concern is there is no ceiling. That's the problem I have.

Rayburn: In my parish, and I'm also told in Caddo, there is a very high rate and in other parishes there are a great deal more than fifteen percent or seven percent, and so on ---

Lowe: We understand, we are not going to get ourselves in a position where we have a totally uncontrolled situation. We just want to make sure that the people who have control get that and not allow it to get out-of-hand. We will be glad to look at some suggestions for putting limitation on it as long as it is within some reasonable time limit.

Lowe: I also would take exception to your statement about the fact that the vote of the people would control different parishes; the metropolitan areas may have a different effect than the rural parish like you or some other place. I would also have a problem with that particular theory also.

Rayburn: Well, gentlemen, we will be glad to look at some reasonable limitation on a reasonable ceiling. Mr. Champagne.

Champagne: Mr. Perez, the full mill tax if it is passed which was not in the constitution originally.

Perez: That's correct. It's a constitutionally imposed tax.

Champagne: Now, let me ask you this. Is this saying that the provision that in communities it would be two mills and the other one—four is leaving it the same? Or is this thing that parish can levy four and has nothing to do with the towns of two?

Perez: At the present time, the constitution provides that if a municipality provides its own road system of maintenance then that would save one-half of the parish tax. So, if there is a four-mill tax, they would only pay two, if levied 3, they would only pay one and one-half—that continues in this constitution.

Champagne: Let me ask you one more question. Have you thought about the possibility of seeing that limitations shall be as in existence at the time of the adoption of this constitution but that may be increased by a vote of the people? That would be very simple and it would not...
Perez: We did not want to put any discussion in the committee about increasing millage that the municipalities or parishes would be constitutionally or otherwise required. Rather, that we increase the seven-mill municipal tax to ten. A parish with four-mill tax to seven. We felt that this would represent an automatic increase. For that reason we left the authorized millage at four and seven with the provision that it could be increased by vote of the electors. And, it is our theory that under those circumstances, that if the people in a local community wanted to increase the valuation tax, they only have is that you wanted to some kind of ceiling on that and we were simply at a loss to come up with any ceiling where we would back into the situation of amending the constitution because the ceiling is too low.

Champagne: As I stated, what I am trying to say is the people of Orleans, and the people of Jackson, are aware of what their ceiling is. We would not have to refer again to Jackson Parish, or Orleans Parish as such. We get it done in a very simple way, and also we would provide and we would call less attention to the people of what this works in regards to a million bond.

Perez: The only problem with that is that Orleans Parish and Jackson Parish unfortunately presently have authorized a different millage rate from any of the other parishes.

Champagne: You see, the way I stated it - I just wanted to present that to you, because will bring it up again. In other words, if it gets over this problem of continuously mentioning the parish by name, and it does exactly the same thing. And, of course, the argument I have is the people have a right to vote - there is no question about Orleans and Jackson. They do vote - and, this, is of course, the difference from the rest of the parish voting to vote by the people that we have exceptions, and such. This way you know the exception is maintained.

Mr. Goldman: Mr. Chairman and delegates, I don't have any problems with citations on this question as to how we could get the people to vote on this thing, and that is instead of saying "by a majority of the electors" so vote at an election I suggest that "to by a majority of the electors who are qualified and regular."

Rayburn: You would never get it passed.

Champagne: You're absolutely prohibiting the increase of taxes.

Goldman: I don't know whether you would or not. If it were necessary and the people thought that they should have the increase, I think they would get out and vote for it.

Perez: We have voters turn out from ten percent of the registered voters to thirty or forty percent, generally speaking.

Rayburn: It might be a good amendment, Mr. Goldman. It would never increase taxes.

Goldman: I think it would get more people out to vote.

Rayburn: It would make more go fishing in my opinion.

Newton: Mr. Chairman, I think we have a problem here with this millage working. A more serious problem than we really thought of. The adjustment in the millage is based on the assumption as to how we could get the people to vote on this thing, and that is instead of saying "by a majority of the electors" so vote at an election I suggest that "to by a majority of the electors who are qualified and regular."

Rayburn: You would never get it passed.

Perez: Well, I raised the question could we come out with some sort of a required percentage in that particular solution of the problem, and at that time you would make an exception and have automatic increases or decreases in tax, and I don't believe----. In other words, what I am saying is that if the people voted eventually and says you shall assess this certain percent or that certain percent, I think that in that same provision we've got to come out with some provision that would require that taxes are automatically adjusted up or down in order to keep that particular local government on the same basis. But, I don't think that it is necessarily relationship with what we have here.

Mire: In effect reduce the taxes on the property tax. I think this way was you would have to levy the luxury taxes, that would remain constant. Then you could add by a vote of the people as other taxes on top of that would be required.

Perez: In other words what you're saying, where we now have a four mill tax you put a ceiling of 10 mills, but then in a readjustment we may automatically have to go to 8 of 9 mills in some parishes. Then you take it away from them and increase the levy.

Mr. I: I think it's a lot more complicated than what we address ourselves to ----

Slay: I have one other comment Mr. Perez. You might want to look out for what the school board may do. They have a tie on constitutional taxation. You might want to look at something along that same line, which I think it works good for them.

Mire: Mr. Perez, I'd just like to call one more thing to your attention and that is that it's something that's worth considering. The fact that we have by very nature of our location some parishes that are very rich and some that are very poor and those that are close by that has a tremendous amount of industry up to a billion dollars worth. They're accounting for industry, each one of these farms in Livingston Parish. And these people got to provide some kind of main reason why we don't want to bring out that Vernon Parish and Allen Parish are going to have to be helped by Ascension and East Baton Rouge or some other parish, or parishes don't operate totally. I would not like to see the state get out of the possibility of being able to give the money; some of this can be shared.

Mr. : ----Getting the state out of the property tax business is not going to have any effect on solving the problems you're talking about. They're just two completely different subjects.

Rayburn: Mr. Perez, you would define, over in section of part 5 the definitions for defined local government subdivisions, as meaning any parish or municipality; political subdivision means any parish or municipality, any other unit of local government. Do all of these subdivisions or municipalities or special districts would they have the same authority that parishes 2 under Finishing.

You state that the governing authority of each parish may levy ad valorem taxes but then you defined page 27, any local governmental subdivisions mean any parish or municipality. Political subdivisions mean parishes, municipalities or any other local unit of government. That does mean that any of those political subdivisions would have the same power as outlined in part 2 under finance? Like the sewer district, drainage and garbage district and then you also had your governing authority of your parish who might be your police jury where each individual district have the power to levy the taxes?

Rayburn: Are there any other questions on finance? Do we have some others Mr. Norris?

Norris: On section 50 of Committee Proposal No. 17 it is provided that all deep-water port commissions and all deep-water port agencies and the board and constituted including their powers and functions structural and organization in territorial jurisdiction are ratified and confirmed and shall continue to exist. In Revenue, Finance and Taxation's Committee Proposal 15 we have a provision which requires the funds from all state boards, committees, commissions into the state treasury. There was some concern yesterday as to whether there would be a conflict here.

Rayburn: I don't believe so, after everybody has a good night's rest, they understand it.

Perez: That's something we in local government have to take the blame for. I personally have problems with taking any of the money out of the state and sending it back into the state treasury. I'm not sure what the House order got. We take a closer look at what you fellows are trying to get and you get to modify your careers.
Mr.: I don't believe that was the intention to go as far as you're going with these local political subdivisions. I think we're talking about state ports or ports that have state funds.

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Norris: That's correct, but the way this is worded presently some of the state funds are not even under budgetary control and have by the port commissions. Now the concern was that this Section 50 would conflict with our provisions on the state funds. Particularly that part that says now organized and constituted, including powers and functions.

Perez: You can see the problem that we have gotten into. Everybody wants a short and brief easy to read constitution. You have the -- Lake Charles, Baton Rouge ports. Orleans Parish details and there was no way we could figure out how to give these people some protection without doing it by exception, that we've already done in other parishes and this is a very, very difficult area. It's the best solution that we could come up with. The problem is that these were just talking about all deep-water port commissions. I noticed that you specifically mentioned the port of New Orleans in this.

DeBlieux: Now was there any particular reason why you specifically mentioned the port of New Orleans and not that of Lake Charles and Baton Rouge.

Perez: But we have real problems regarding the port of New Orleans because it was acknowledged by everyone, including those in New Orleans, that it is an unfair and improperly structured at this time, and we got into a lot of discussion about trying to restructure. (tape change)

Rayburn: No, no. I'll tell you right now you don't have any agreement.

Perez: Sixty, if you'll look at the beginning of this line, "except as otherwise provided in this constitution, all deep-water ports," shall this, that, and the other. If you come up with a specific provision saying that money goes somewhere else...

Rayburn: Well, that's what I say, there is definitely a conflict the way the language is now in the second proposal.

Perez: I've already agreed to go to the committee and see if we can get there an exception that we can fight the battle as to what ought to be done with those revenues in the two proposals.

Newton: Mr. Perez, I would like you to look at Section 40. In the last line there shall be twenty percent of total value of all. Look at line 29 which states within the political subdivision valued assessment purposes, as aforesaid. Does that mean the assessed valuation or the total valued property within the taxing district? same thing as in line 19, 20.

Kean: All it was intended to refer to was the language that starts about line 19 that says, "the total value of all property within said subdivision valued for assessment purposes, including property as assessed by the bonded board." We're simply trying to say that the base for the school districts has a general obligation and industrial bonds would be assessed.

M.: At total fair market value?

Rayburn: Validated for assessment purposes.

Roemer: It's confusing because you have the fair market value property, meaning that you have it assessed at certain percentages, that's assessment value. Now what's value for assessment purposes?

Rayburn: Mr. Roemer, you're talking about the assessed value. If you have fair market value of $100,000 dollars and you put it on the assessment rolls at ten percent; then the 10,000 dollars would represent the value you would use for tax purposes.

M.: Wouldn't it be a lot easier to say "assessed value"?

Rayburn: You see $100,000 land is valued at xyz for assessment purposes. So when you say valued for assessment purposes it's $180; not the small figure you're talking about.

Rayburn: Is the 20% figure the same as in the present constitution?

Newton: It makes a difference if it's valued for assessment purposes or at full value which would represent a six-fold increase in the bonding authority. The total value of all property within such subdivision valued for assessment purposes. That's what we intended, the total assessed value of all property.

Love: That doesn't really solve it, Mr. Chairman.

Newton: I have another question, Mr. Chairman, in regard to Section 48. I got lost with the "which" at the end of line 14. What is "which" related to. I couldn't make heads or tails out of the sentence quite frankly, which lost because I didn't know what we were referring to. It says for essential purposes which bonds shall not exceed. I guess it's referring back not having anything to do with purpose, does it?

Perez: It does have something to do with purpose. It's simply talking about 10% of the purposes. Therefore, you've got to take into consideration the outstanding bonds.

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Lowe: Mr. Perez, I'd like to address myself to lines 19 and 20. I have a problem, let me tell you what my problem is. You're taking a percent of the fair market value, but yet in the wisdom this constitution comes up with a tax of different classes of property at different rates. You may be taxing land at 10% or 15% at a homestead, at 10 and 15; and you may be taxing other property at 20%. So you have no uniformity of what ratio that total market value actually bears to the amount of taxes that is going to be produced. O.K. I see Chalin's problem. Let's give you an example. If one area is the biggest part of your ad valorem taxes come from industry. Then if you're taxing at 20% you're going to produce 4 times as much annuities in that particular area for about as much taxes in that particular area as you would in an area that was exclusively land. Now, if in that particular area those are all the same taxes, you are limiting that particular area to 10% of fair market value and yet you have 4 times the amount of taxes to pay off those bonds.

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Newton: We talked to you about debt limitation on general obligation bonds. Mr. Kean made the statement, a ceiling is to make sure that that particular area does not go beyond what they can reasonably assess as the amount of ad valorem taxes that are produced. So why would you want to limit one area that has 4 times the ad valorem tax production to an area that would be exclusively land at 5%. When you're penalizing this particular week which should have a higher ceiling.

Ginn: You just can't take care of all these problems with the same provision. There are going to be differences whether, for example, you might have to increase debt limitation and might be able to bond issues in this amount necessary simply because the parish or district has the lowest assessment to increase the district bonds; or you might want to decrease assessment; or the legislature may increase the debt limitation by 2/3 vote of the legislature by general or local special law.

Rayburn: I think we might better take a second look at that change you just made where you raised assessment property ceiling. Now if I recall right, I think we had some language in the constitutional amendment that I've proposed that when you say assessed property, you're lowering your bond rates again because your homestead exemption is not on the assessment rolls. I think we need to word the value of property subject to assessment.

Ginn: Mr. Chairman, yesterday pointed this out: I suggested so not to exceed the aggregate of 4% that portion of the total value of all the property within such subdivision which forms the base to which the value will be multiplied. That's awkward language but I field it to the research director.

Rayburn: I'd like to get that amendment because the language we have there was the language that had been approved by the bonds people in New York, by Juvel and them in New Orleans, by the major bond people of the nation, and that is their language; and I just didn't want anything that might reduce our bond base. They said you could bond up to the assessment value. Not to the value available for assessment. I will find some language like that which gives your property a bonding capacity on your homestead exemption value. We'll check that out later; we haven't got to the business of arguing that out yet.

Perez: Whatever we have in here was carefully gone over by a group of bonding attorneys that we asked to sit as a committee to go over all this and make the recommendations; and we have what we thought were some of the better bonding

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tax minds in the state, including some people from out of state. This is the wording that they have come up with. So with second thought we want very carefully to make changes, so we don't do something that would be harmful.

Romer: Mr. Chairman, I appreciate what the gentleman is saying; but I think the reason we brought it up was for our understanding, not to criticize what you've done but so we can understand what you've done. I interpret that language to mean what now we come to the conclusion that it does mean, but it wasn't explained that way. You'd better make more of an explanation on the floor, you'd be able to explain it better.

Perez: We're taking these things scatter shot and we've got an awful lot of provisions in there and we've got to try to catch all of them right quick. I think it's probably alright as it is if you'll reread it a little more carefully.

Conroy: Within Section 48, one of the questions is Paragraph (C) referring to the 2/3 vote. Does that 2/3 vote debt limitation apply only to local or special assessments or does it apply to both the general laws and special or local laws.

Perez: The legislature will increase the debt limitations to establish in this section so that would mean in the top section.

Conroy: But then it says by general law or local or special 2/3. Is this because the majority vote of 2/3 is the amount by a 2/3 vote? The 2/3 was intended to apply to laws, general or special. It wasn't clear to me. It's still not clear to me.

Newton: Now as I understand it, you require a vote in the first sentence, and another provision requires no vote for refunding bonds. And we find that you have no provision whatsoever for refunding bonds. Do you have authorization to issue bonds; and then come along later and want to refund the bonds at a higher interest rate? The refunding bonds do not apply to local. It's a matter of general law that refunding bonds are not to be issued unless you counted the greatest debt to the greater portion of the grounds on which the bonds are to be issued.

Newton: You say by general law, why would the general law be applicable that's my very point. When we rewrite these things and give local government greater authority, we remove some of those restrictions. Such as the ones you just mentioned.

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Perez: But this provision is identical with what's now in the present constitution.

Newton: But you referred to a second restriction that wouldn't be in our . . .

Perez: The jurisprudence is now recognized, that in as far as refunding bonds are concerned, that if you get at higher cost than the ceiling of the district.

Newton: In our area we ran into the same problem. We specified example would be that refunding bonds could not be any higher than the rate of interest.

Newton: I know that a lot of us would feel a lot more comfortable if that is the jurisprudence and that your intention or special limitations is to be in certain fields.

Perez: I have no objections to that, that was what my understanding of it was. I suggest that you come up with the wording that you would like and we'll be sure and see if we can't get it in as a committee amendment.

Conroy: In Section 41 we have to deal with the time limitations with contested bonds. I don't quarrel with the desirability of it. My only question is whether you thought that it is necessary to put that in the constitution.

Perez: We talked to the bond people about this and we've taken the requirement out. I've been in the constitution with respect to bonding. They felt that the sections that ought to be retained in the constitution and there are provisions for contesting a bond issue with a majority vote at an election.

Kean: I would suggest that before we get to our proposal that we check with Local and Parish and make sure that we didn't have a comparable provision for state bonding. We don't have them in our proposal and if that is their bonding attorneys' recommendations, I'd like to be sure of them when we get down to there.

Rayburn: It's the same ceiling where you're going to put a limitation on the right of the courts to realize that particular section with respect to bond issues, so it won't be unconstitutional.

Conroy: My only point was for clarification, we might need a comparable provision in ours if that will resolve the problem.

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Perez: Section 42 (C) deals with immunity for debtors and alternately providing in your next section; but there has to be levied on ad valorem tax, without limitations as to rate or amount which may have been destined to the other sources of revenue in place of payment or certificates. Now my concern about that last sentence is that the conditions of indebtedness that were referred to in Paragraph (C). As long as certificates of indebtedness are issued to cover the cost of public improvements especially special assessments, to finance local improvements. At the present time, in order to finance those improvements because of levy assessments and don't collect those assessments from them, you issue these certificates of indebtedness which are
covered by special assessment. The present constitution provides that the local governmental subdivisions can pledge the full faith and credit of those certificates. In order to pledge the full faith and credit you've got to take a reduction in interest for it. The problem with revenue provision is that although you can pledge full faith and credit, there is no way by which you can carry out that obligation and cause someone to do so. And I thought that if you were going to continue this doubtful provision and provide for a way to carry out this obligation. And that's the reason for that provision.

Conroy: Let me go back to my first question. What limitation is there on the authority to issue certificates of indebtedness.

Perez: There's the limitation of the statutes that couldn't issue a certificate of indebtedness before and that the unpaid portion of the debt that was incurred for purposes of building and improvements.

Conroy: But that limitation isn't in the constitution and with regard to the special assessment you referred to—that had to be voted on by whom?

Perez: If nominated by the local governing authority, then they form a petition signed by a majority of the property owners.

Conroy: For purposes of a special improvement, such as a street, that parish upon petition of those people incur its debt, pledges the full faith and credit, and then effectively subjects all the property within the parish to an ad valorem tax without limitation as to rate or amount to pay off the certificates of indebtedness of that special assessment that was never submitted to the vote of the people within the parish.

Conroy: While this may be exceptional, this is highly unusual under present circumstances.

Rayburn: Does Paragraph B help you at all to read the limitations that you've been taking issue with. That's line 27, page 22, "Certificates of indebtedness may be issued at public cost..." as improvements are established and local or special assessments are levied therefor, and may be further stipulated. You have to get your mind out of these certificates of indebtedness and only in the present agreement, is the tax imposed.

Conroy: The imposition of the tax is inconsistent with what we've said earlier about limitations on ad valorem tax. It's just open at one end.

Perez: We could go back to the revenue provision in the existing constitution, which is (B). But the fellows on our committee decided that if you're going to pledge the full faith and credit of the political subdivision to somebody's street, then there's got to be some provision by which you can carry out the obligation.

Newton: Mr. Chairman of the Committee on Local and Parochial, I think that Section 41(C), 42(C), is the multiplication ad infinitum. I really take exception to it. I think that if you are going to take this financing provision is that they ought to use the general funds better than automatically increasing the taxes without the vote of the people.

Perez: I think that it would come out of the general funds that wouldn't help the situation. You just have to make provisions for it. We were just trying to provide a way to relieve this obligation.

Slay: Mr. Perez, in regard to what Mr. Conroy said, out of experience with attorneys, engineers, and architects. Are they going to consent to another mill because they know there is unlimited millage?

Slay: And I feel that there should be a limit on the millage that you can stipulate. A 4 mills limit is already enough in Baton Rouge. But I do feel that there's got to be a limit on those bonding attorneys that come in and profit from what is supposed to be revenues and we won't have to pay for it. And they get their commissions to work it out with police jury or local governing body. They let those people--

Rayburn: We're talking about certificates of indebtedness, not general obligation bonds.

Mr. Slay, do you think that the limitation placed here--do you have to have a vote or petition of people involved?

Mr. Slay: I just thought I'd pass this story along. The citizens of a particular district sign a petition or by a vote to close a drainage district. Are those people going to pay for this by themselves. Now, I didn't make up that one. The entire parish will be subject to taxation, ad valorem taxation, to make up the difference.

Perez: The funds could come from some other sources of funds for distribution of general obligation or the full faith and credit if they didn't pledge the full faith and credit, why it doesn't come out. It comes out of special assessments.

Roemer: I'm not sure that the mechanics of getting the project approved, it's just a vote of the police jury?

Hire: The distribution--could it possibly conflict with getting out of the police jury and doing this in a basis? The way you fund certificates of indebtedness. If your revenues increased, would you end up without having enough revenue to pay it. Then the only way to pay it is by ad valorem taxation like the Sunshine Bridge.

Perez: You're talking about full faith and credit of political subdivisions. The certificates of indebtedness are found on a special assessment. The certificates of indebtedness on a revenue basis, couldn't you?

Champagne: I was just shaking my head and saying that I didn't like this section at all. I think we ought to delete it, because I really don't know.

DeBlieux: Mr. Kean, I found a little disparity between what I understand and what you said now, suppose you have a parish that does certain projects it needs a water system, and in that particular section of the parish issuing a bond issue and certificates of indebtedness on anticipatory basis revenue for that water system, and then they find out this revenue is less than they thought it was. Now you tell me that the parish governing body adds a parish ad valorem tax to make up the difference on those funds?

Perez: No. The only thing they've got situations in mind where you levied your local assessment and property types of particular assessment for the street, sidewalks. You levy a local assessment on his private property represented by number of months he's been there. And that's what we're talking about. We're not talking about revenue financing. To raise money where you finance a whole water system. We're not talking about revenue at all.

DeBlieux: Do you mean that's the only thing the ad valorem tax would do? It wouldn't apply to any other improvements?

Roemer: If you look on revenue, the next section of revenue producing property, Section 41. That would apply to such things as water districts.

Mr. I: Can I ask you a question? This year the police jury improved the road along side my house. I thought they got a bill saying that my share was $750 and I can either pay it all or pay it over a 10-year period. What's done with extra money because they've already established the cost of it and they've distributed that cost, but why wouldn't it be paid off that way?

Perez: The only reason why you would need to pledge the full and credit of political subdivision is, if first of all, you would get to better interest rate and with an ad valorem tax secondly, you may have earned a privilege debtor; if you want to call it, or property debtor where you make types of improvements and the people can't pay but it is a matter of the property needs. Under those circumstances if you have an assessment of your private property, you use this as a means to satisfy community needs when under those circumstances it would not be possible to finance it any other way. The full faith and credit pledge enables you to sell them and build the improvements. In present constitutes it's the way here for special purposes, the only flaw is that our committee was some what -----

Kean: I may say that this is analogous to a situation where the state pledges its full faith and credit in order to reduce the interest on the bond, which is what your committee is doing is for general obligations bond. This is just an attempt to reduce the interest rationally pledging the full faith and credit of the local government.

Rayburn: If I understand it right, what you're saying is that if political subdivisions want to issue certificates of indebtedness other than ad valorem taxes they pledge their full faith and credit on the particular district where if you do have a deficit then you come back and make it up out of the ad valorem tax. By increasing it 2 or 3 or 4 mills whatever it was--
Kean: East Baton Rouge Parish is an example where they needed improvements and made those improvements.

Roemer: Specifically the provision says that the legislature will provide. Does that mean by special election vote of the police jury? You do have protections in there.

Kean: Not only you've got to get the approval of the bond commission in order to be able to issue those bonds.

Roemer: All you're doing is the same thing that we did in '68 to get the state to give us a better insurance to put in the general fund.

Rayburn: Let me tell you this has a lot of merit and I'll tell you why I’ve sat on the bond commission, now you're talking about one or one half a percent better rate if you've got the full faith and credit pledge. Soon or later you're going to have it pledged anyway because you're not going out there and pave the street and not let your bondholders see you did it. It's foolish sitting in this state for years and years and years and sold revenue bonds on state lands for dormitories and this and that and the other and pledged the revenue bonds; and it cost us about a cent and a half more to sell those bonds than it did when we said the full faith and credit of the state was behind them. I led the fight to get that number because it was behind. You're not going to build a dormitory at Southeastern over there and let it go to funders of it. It's all state property, it's on college property, and once you build it, it's just like when you've got a baby, when you've got it, lock it up, and take care of it, and do the best you can with it. There ain't nobody going to blow it up, tear it down, or haul it away. It's the only way possible. It sounds good to say don't do this and don't do that, but you're not going to pave the streets of East Baton Rouge and let Nagaswara and get your certificate of indebtedness and you don't let nobody tear the damn street up. You're just making a bird nest for your own trouble. If you have surplus garbage in this place in the language. You're going to pay for it anyway as long as you live with your wife, you're going to pick them debts, you might as well do the best you can with it.

Perez: The general feeling of the local government committee was we were trying to find some areas in which local government could generate its own revenues. There are many areas of the state which already have authority either through the school boards or local government to impose up to 3 percent. We all we've got to do was to set upon vote of the people that in any particular area a tax could be imposed up to 3%. Now when you put all taxes together, you realize all the problems involved in determining who gets there first. The school board may come in and say they want to increase taxes, but the things are generally relaxed and the legislature authorizes increase. We’ve got to get together and say look it was government that put more money, let us impose a one-cent sales tax, we’ll get half and local government will get half. We realize that the problems involved in this thing but the fact that it can prove to the work itself just out as well as it would by having to go back to the legislature each time to get the authorization to impose the tax.

Nunez: Aren’t you giving the local government authority to impose 6 percent, 3 percent, and 3 percent local. All we’re really doing is giving the same authority to other parishes to go up to a total of 3%. So if they decide to do it, all they have to do is go to the people.

Perez: The highest one in the state is now 6 percent, 3 percent state, and 3 percent local. All we’re really doing is giving the same authority to other parishes to go up to a total of 3%. So if they decide to do it, all they have to do is go to the people.

Nunez: Why would you not like to leave it where it has to come from the legislature?

Perez: You just have one more step. We’re trying to have some direct authority from the constitution directly to local government.

Champagne: Don’t you think you have the right to amend? You start taxing at 3 percent. Everybody is going to hurry and run one through.

Perez: Well, we put that limitation on it. Then it says that you have to go to the legislature. We talked about the ad valorem tax and how we should amend it. Then the sales tax situation, we felt that there should be a limitation on it. So what we took was the present ceiling - as you have in New Orleans, for example. You can vote taxes is to go to the legislature I believe, to get the authority and so forth. There is a total of 3% local tax.

Champagne: In the present constitution you don’t have a ceiling? You don’t have the authority?

Perez: No, we’re trying to find some method by which you can give reference in the constitution to the local governing authority so that if they saw fit to impose local taxes.

Roemer: Do you have a limit to the authority for ad valorem taxes, that’s only true as far as alimony is concerned. But you don’t have a millage limit.

Perez: You have one based 10%.

Roemer: You don’t have a millage limit and big deal you know it.

Perez: I didn’t understand your question.

Perez: If people in some other areas have a 3% tax, it will give the other areas what was for a change to get up to that 3%. Then let the legislature deal with it after that. See, it has created a real problem in the state as far as the state imposing additional sales taxes, because they have allowed say, 3% in certain areas. It has then put the state in the position where they feel the burden of reaching the saturation point, so we don’t want to impose anyone. More the two make it, the less chance that we’ll accept it. Any more questions?

Schmitt: Can we ask him on any section?

Mr. J Yeah, on any section there might be a conflict with.

Schmitt: On Section 45, page 24, the one where if you are placing a building on the site of another, how are you going to establish what’s the taxation going to be.

Perez: Again, what we’re doing is taking the present provision of the new constitution and just like when you have the provision on there for the alimony tax for the parishes and municipalities, so they will have to have some minimum amount of money with which to operate. You do the same thing with respect to levee districts. And the reason you have this special provision in there with regards to Orleans was to maintain the status quo, because some years ago over a period of time they took 2 1/2 mills away from Orleans and they gave it to some other agency in Orleans; and so we had to put a special provision in there otherwise we would have had an automatic increase of taxes in regards to Orleans.

You might have an automatic increase anyway because if you include, if you put the new property tax plan applicable statewide, because in any one of these plans, 5 mills depends on what you are applying the 5 mills to. Increase your total base in that particular district, you might be increasing your amount of funds into the levee unheard of. It’s premature at this point to put any millage in there in any section until we get finished. The proposal, I think is real extremely good, but you don’t know what the final picture is going to be. The ad valorem tax problem should be settled then.

I realize the problem involved, but we took the position first that we were not going to increase taxes by means of the new constitution. What we wanted was to provide for the rate of taxation with the right to go to the people, increasing by vote of the people. We have got to have some automatic increase for local government taxes without the vote of the people, as we have the 4 1/2 mill 7 mill tax for parish and municipalities. We have the same thing unlimited on the 5 mill and it’s the same thing that is in the present constitution.

What are you going to apply the 5 mill tax to?

Serbion: Don’t all the proposed public tax lands have a provision in them that say holds back the taxes. Read it again, it says not to exceed 5 mills. It’s a ceiling. It’s not a set limit.

It can be a roll forward in taxes as well as a roll back ward. It could be the levies board who established it in any of these public lands. It is presently levied by any district or local government.

Perez: If may, we didn’t have this meeting this morning to go over this individually we had this meeting, I understand only where there might be a conflict between our proposal and their proposal, and I wish that the members would hold their line of questioning to what the meeting was called for because, you’re going to have plenty of time to talk in the big hall.

Let’s take the time to, because a roll back would not refer to millage rates established in the new constitution, it’s fine to think that it already existed, but this doesn’t apply to the new provision of municipalities change and and you say there’s going to be a roll back, a roll back doesn’t apply to that 50 mills.
Mr. Chairman, I have a question I had before that applied to the alimony tax. If and when you fellows come out with a required and assessed value, you at that time, take care to make an exception to what we would have here. Now, let's say, that because of the way we set it up, there's a reduction in the amount of assessed value, by 75%, it means this things maybe not apply anymore. It might be 10 mills. You might have to go back and re-change all your provisions after we get this to styling. It would take 68 or 80 something votes in order to go back and do it. Suppose they destroy the base and we had less money coming in after the finish of our proposal than we do right now. Seems like it is premature to do it, to set millage rates before we determine what the base is going to be, to apply the millage rate. So, I believe we should go through and decide which portions of your proposal we should skip over at the present, and leave it open and not closed by putting it on the table.

Don't close the door till sometime in the future when we get to our proposal and we see how it is going to affect it. It might hurt. We're going to close this thing down.

Mr. Newton: Have you been in Plaquemines Parish lately. 10% of the market value and he won't know how to spend all he's going to get.

He's been assessing at 25%. 25% of what?

Champagne: I just want to get back to this alimony tax. Do you in this constitution, provide the same provision, that a community, who is taking care of their own roads would be able to get to 2 and up? I didn't see it, but it is there, right?

It says that municipalities that have population in excess of 2,500 and above in the last census, shall provide and maintain a system of street paving that will not exceed 1/2 of the tax revenues in the budget.

Goldman: We've had this nice long discussion here and I think we've got everything pretty well in our minds now. I believe there is some provision in the procedure of this convention whereby you can put the horse before the cart instead of the cart before the horse either ask for a change of the rules or something and bring our stuff up first and then the parochial and local government and then we wouldn't have to go back and consider.

I don't know, Mr. Goldman, you've only been here a few days, I've been here a few months, we ain't got much stuff yet. I been thinking for the last few months that we could get it ready, but so far we've only just brought up a tentative proposal yesterday that we had supposedly adopted 2 or 3 weeks and they've found all kind of things in there they never heard about.

I think the district attorney wants to be heard from. Local and Parochial Government member.

Mr. Burson: I'll try not to get hysterical. The point has been raised by Mr. Goldman is one that I have raised in committee. I'd like to get some thinking of the other members of the committee. It seems to me, at least the Revenue and Finance section of the Local and Parochial should be held back and not considered until after we've approved the topic of taxation.

Mr. Burson, you want to first know what local government has got to consider and how much power or authority they might have I guess. If we passed ya'lls, first it might influence some of the thinking of some of the committee, ir. Burson.

Rayburn: The people still vote on a sales tax, don't they? Under the present constitution, the legislature can pass a law that lets the parish police jury levy a 1 cent sales tax without the vote of the people because, Mr. Kean, we don't have that in East Baton Rouge.

Kean: Nothing in the present constitution deals with the sales tax at all.

Let's prevent that.

Nunez: Section (B), referring to §8, says that sales taxes have been referred by a vote of the people. But don't go any further. Then you say the legislature shall by a 2/3 vote levy an additional taxes. But you don't say it shall be limited to a vote of the people.

Rayburn: Now I'm thinking about this I'm trying to get myself in pretty good shape. I've been requested to let my local police jury levy a sales tax without the vote of the people. I think that it should be submitted to the people. Under the present constitution that cannot be done by past a future legislature and giving them that authority. If this provision stays in this proposal then that cannot be done without the people agreeing.

Reimer: I generally agree with this proposal that calls for a written clause on every issue. If you go back to 41 (C) where... I Mr. Chairman, I so move that we adjourn since we don't have anything more to talk about.

Rayburn: No objections. It is so ordered.

Mr. Chairman, I so move that we adjourn since we don't have anything more to talk about.

Let me ask you this, under this proposal, if it is adopted, relative to taxation, increasing taxes or levying taxes, the people in the particular area will have to vote on each proposal. Is that correct. Will that prohibit the legislature, could they change that? Will the 2/3 vote let them change that and take that right away from the people. Under the present law, the local community can levy now a tax without a vote of the people if the legislature passes an act giving them the authority to do so. This has happened in several parishes in the state, it has been requested of me, I know in a few parishes. I'm just wondering what that would mean. I interpret that the people might be a lot down that any increase in taxes in any political subdivision will have to be approved by the people. I say, no, it says that if the parish or special district proposes a tax, it has to be a vote of the people. I don't know of any prohibition in there against the legislature giving any additional authority.

For instance, on a sales tax situation, you have a specific provision that the legislature can authorize imposition of additional taxes.

Delegat Fontenot: In Question on Question and Answer Session On Rice Irrigation Wells and Storage Bins.

Fontenot: What is the intent of this committee to include these rice irrigation wells and storage bins that are privately owned in the exemption list or is it not to include them in the exemption list? I want an interpretation of this from the committee.

Nunez: From time to time, we do run into situations where we are not absolutely sure what the language in the constitution means on exemptions. What we do in fact, is get a definitive answer from the Attorney General. I don't care what kind of language you put in here somebody is going to go to the people it a little different from somebody who said in this case I think maybe that's what ought to be done.

Fontenot: I think the Attorney General, when he starts investigating to see what that the intent was, he would come to this committee and the Constitutional Convention and ask and look into the background of who this was argued and what was the intent of the committee. If that's the case then I am concerned, the intent is to exclude these and exempt these implements that pertain to a farmer. But I am just one member of the committee.

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Mire: I believe the intention is to exempt all farm implements and equipment, but the interpretation of whether this is in fact farm machinery, equipment or implement, this would have to have an interpretation from the legal department of the state.

Fontenot: I could propose that we include storage bins for soybeans and rice and I could also move that we amend and include rice irrigation wells, but I just thought that it would be dogmatically in this already, I was not going to propose it.

Winchester: What does that do when you exempt the individual farmer but charge the big man in business who has the dryer, etc. to him?

Fontenot: These are just individual farms. The individual farmer that owns his own drying unit, it's part of his farming operation, therefore I think these words should exempt him.

Mauberret: I think on line 35 of this section "other implement includes storage bins and grain bins."

Roemer: Sure it does, used exclusively for agricultural purposes not for commercial.

Rayburn: That's what it says.