Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 47:301(introductory paragraph) and (10)(c)(i)(aa) are hereby amended and reenacted to read as follows:

§47:301. Definitions

(A) As used in this Chapter the following words, terms, and phrases have the meanings ascribed to them in this Section, unless the context clearly indicates a different meaning:

(10) *   *   * (c)(i)(aa) The term “sale at retail” does not include sale of materials for further processing into articles of tangible personal property for sale at retail when all of the criteria in Subitem (I) of this Subitem are met:

(I)(aaa) The raw materials become a recognizable and identifiable component of the end product.

(bb) The raw materials are beneficial to the end product.

(cc) The raw materials are material for further processing and, as such, are purchased for the purpose of inclusion into the end product.

(ii) For purposes of this Subitem, the term “sale at retail” shall not include the purchase of raw materials for the production of raw or processed agricultural, aquatic, or aquacultural products.

Section 2. Notwithstanding the provisions of this Chapter, the term “sale at retail” does not include sale of materials for further processing into articles of tangible personal property for sale at retail when all of the criteria are met, as specified in this Section.

Act No. 2

ACT No. 2

HOUSE BILL NO. 47

BY REPRESENTATIVE BROADWATER

AN ACT

To amend and reenact Section 5 of Act No. 123 of the 2015 Regular Session of the Legislature, relative to corporate income tax; to provide for the net operating loss deduction for corporate income taxes; to provide for applicability and an effective date; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. Section 5 of Act No. 123 of the 2015 Regular Session of the Legislature is hereby amended and reenacted to read as follows:

* * *

Section 5.(A) Except as provided for in Subsection (B) of this Section, the provisions of Sections 1 and 2 of this Act shall apply to an exclusion from taxable income and a claim for a deduction made on a return filed on or after July 1, 2015, regardless of the taxable year to which the return relates.

(B) Notwithstanding the provisions of Act No. 6 of the 2016 First Extraordinary Session of the Legislature, the provisions of Sections 1 and 2 of this Act shall not apply to an amended return filed on or after July 1, 2015, relating to an exclusion from taxable income or a claim for a deduction properly claimed on an original return filed prior to July 1, 2015.

(C) If a return is filed after July 1, 2015, for which a valid filing extension has been allowed prior to July 1, 2015, then any portion of an exclusion or deduction disallowed by the provisions of Sections 1 or 2 of this Act shall be allowed as an exclusion or a deduction in the amount of one-third of the disallowed portion of the exclusion or deduction on the taxpayer’s return for each of the taxable years beginning during calendar years 2017, 2018, and 2019.

* * *

Section 2. Section 2 of Act No. 6 of the 2016 First Extraordinary Session of the Legislature is hereby amended and reenacted to read as follows:

* * *

Section 2. Notwithstanding the provisions of this Act, Section (5)(B) of Act No. 123 of the 2015 Regular Session of the Legislature shall remain effective for an amended return filed on or after July 1, 2015, relating to a claim for a net operating loss deduction properly claimed on an original return filed prior to July 1, 2015. Any deduction for net operating loss authorized by Section (5)(C) of Act No. 123 of the 2015 Regular Session shall be allowed in addition to the net operating loss deductions authorized by Section 1 of this Act.

Section 3. This Act shall become effective upon signature by the governor or, if not signed by the governor, upon expiration of the time for bills to become law without signature by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If vetoed by the governor and subsequently approved by the legislature, this Act shall become effective on the day following such approval.

Approved by the Governor, June 22, 2016.

A true copy:

Tom Schedler
Secretary of State
A true copy:

Section 1. R.S. 47:2327 is hereby amended and reenacted to read as follows:

§2327. Confidentiality of forms

To amend and reenact R.S. 47:2327 and 6006(C)(3) and to enact R.S. 47:6006(B)(3), relative to the ad valorem tax on inventories and related income tax credits; to provide with regard to the definition of manufacturer for the purpose of tax credits for local inventory taxes paid; to provide for certain limitations; to provide for effectiveness; and to provide for related matters.

Section 2. R.S. 47:6006(C)(3) is hereby amended and reenacted as follows:

(a) Eligible taxpayers whose ad valorem taxes paid to all political subdivisions in the taxable year was more than five hundred thousand dollars, but less than or equal to one million dollars, shall be refunded seventy-five percent of the excess credit.

(b) Each taxpayer allowed a credit under this Section shall claim the credit paid to state corporate income and corporation franchise taxes. Credit for taxes paid by unincorporated persons shall be applied to state personal income taxes. The secretary shall make a refund to the taxpayer in the amount to which he is entitled from the current collections of the taxes collected pursuant to Chapter 1 and Chapter 5 of Subtitle II of Title 47 of the Revised Statutes of 1950, and the Louisiana Department of Revenue, and the Louisiana Tax Commission, and the Louisiana Department of Revenue, solely for the purpose of administering the provisions of this Act and verifying eligibility for the credit claimed under R.S. 47:6006. Such forms shall not be subject to the provisions relative to public records as set forth in Title 44 of the Louisiana Revised Statutes of 1950 of the Public Records Law, provided however, that such forms shall be admissible in evidence and subject to discovery in judicial or administrative proceedings according to general law relating to the production and discovery of evidence.

B. Notwithstanding any provision in this Section to the contrary, for a manufacturer, as defined in Subparagraph (b) of Paragraph (3) of Subsection C of this Section, and for all related parties, affiliates, subsidiaries, parent companies, or owners of such manufacturer for the inventory held that is related to the business of such manufacturer, if the amount of the credit authorized pursuant to Subsection A of this Section exceeds the amount of tax liability for the tax year, the following amounts of the excess credit may be carried forward as a credit against subsequent Louisiana income or corporation franchise tax liability for a period not to exceed five years:

1. Eligible taxpayers (a) Eligible taxpayers whose ad valorem taxes paid to all political subdivisions in the taxable year was more than five hundred thousand dollars, but less than or equal to one million dollars, shall be refunded seventy-five percent of the excess credit and, the remaining twenty-five percent of the excess credit may be carried forward as a credit against subsequent tax liability for a period not to exceed five years.

2. Each taxpayer allowed a credit under this Section shall claim the credit on its separately filed income or corporate franchise tax return, however for purposes of the application of the limitations on refundability of excess credit provided for in Subparagraph (a) of this Section, all taxpayers included in one consolidated federal income tax return filed under the Internal Revenue Code shall be treated as a single taxpayer. The secretary shall promulgate rules to ensure that taxpayers affiliated with or related to any other entity through common ownership by the same interests or as parent or subsidiary shall be considered one taxpayer for the purpose of the limitations on refunds provided for in Subparagraphs (1)(a) through (c) of this Subsection.

C. For purposes of this Section, the following terms shall have the meanings ascribed to them:

1. “Manufacturer” means any manufacturer, as defined in Subparagraph (a) of Paragraph (3) of Subsection C of this Paragraph and who has claimed the ad valorem tax on inventories and related income tax credits.

2. “Affiliates” means any entity that is related to a taxpayer through a common interest as parent or subsidiary.

3. “Related parties” means any entity related to a taxpayer through a common interest as parent or subsidiary.

4. “Byproduct” shall mean any incidental product that is sold for a sales price less than or equal to the sales tax collected and remitted by the seller on the taxable retail sale of the byproduct.

* As it appears in the enrolled bill

(3)(a) Subparagraphs (1)(a) and (b) of this Subsection shall not apply to any new business entity formed or registered to do business in this state after April 15, 2016.

(b) New business entities formed or first registered to do business in this state after April 15, 2016, whose ad valorem taxes paid to all political subdivisions in the taxable year was less than ten thousand dollars shall be refunded all of the excess credit.

Approved by the Governor, June 28, 2016.

A true copy:

Section 1. This Act is intended to clarify and be interpretive of the original intent and application of R.S. 47:301(10)(c)(a)(aa).

Therefore, the provisions of this Act shall be retroactive and applicable to all refunds submitted or assessments of additional taxes due which are filed on or after the effective date of this Act. Notwithstanding the foregoing, the provisions of this Act shall not be applicable to any existing claim for refund filed or assessment of additional taxes due issued prior to the effective date of this Act for any tax period prior to July 1, 2016, which is not barred by prescription.

Section 2. This Act shall become effective upon signature by the governor or, if not signed by the governor, upon expiration of the time for bills to become law without signature by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If vetoed by the governor and subsequently approved by the legislature, this Act shall become effective on the day following such approval.

Approved by the Governor, June 23, 2016.

A true copy:

Tom Schedler
Secretary of State

THE ADVOCATE

CODING: Words in italics through type are deletions from existing law; words underscored (House Bills) and boldfaced (Senate Bills) are additions.

PAGE 2
To enact R.S. 47:306.4, relative to state sales and use tax exemptions; to provide for an annual reporting requirement for certain transactions involving sales by certain nonprofit entities; to provide for an effective date; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 47:306.4 is hereby enacted to read as follows:

§ 306.4. Annual reporting requirement

A.(1) Notwithstanding any provision of law to the contrary, transactions listed in Subsection B of this Section shall be subject to an annual reporting requirement that includes all of the following information:

(a) The name of the organization.

(b) The federal and state tax identification numbers of the organization.

(c) Annual gross sales of tangible personal property or services that are not subject to state sales and use tax pursuant to the exclusions and exemptions provided for in Subsection B of this Section.

(d) Any additional information required by the secretary that is necessary to determine the annual sales tax revenue loss to the state related to the exclusion or exemption as required by R.S. 47:301(6)(c).

(2) The annual report shall include all of the following information:

(a) The name of the organization.

(b) The federal tax identification number of the organization.

(c) Annual gross sales of tangible personal property or services that are not subject to state sales and use tax pursuant to the exclusions and exemptions provided for in Subsection B of this Section.

(d) Any additional information required by the secretary that is necessary to determine the annual sales tax revenue loss to the state related to the exclusion or exemption as required by R.S. 47:301(6)(c).

(3) The annual report shall be submitted electronically to the secretary on a form provided by the secretary.

B. The transactions listed in this Subsection shall be subject to the annual reporting requirement:

(1) Sales of room rentals by a camp or retreat facility owned by a nonprofit organization as provided in R.S. 47:301(6)(b).

(2) Sales of room rentals by a homeless shelter as provided in R.S. 47:301(6)(c).

(3) Sales by a nonprofit entity which sells donated goods as provided in R.S. 47:301(6)(d).

(4) Sales of food items by a youth-serving organization chartered by the United States Congress as provided in R.S. 47:301(10)(b).

(5) Sales by a parochial or private elementary or secondary school that complies with the court order from the Dodd Brumfield decision and Section 22:832(C)(3) of the Internal Revenue Code as provided in R.S. 47:301(18)(e).

(6) Sales of admissions to athletic and entertainment events as provided in R.S. 47:301(14)(b)(i), but only for events held for or by an elementary or secondary school.

(7) Sales of memberships by and dues paid to a nonprofit civic organization as provided in R.S. 47:301(14)(b)(i).

(8) Sales of meals by an educational institution, medical facility, or mental institution or occasional meals furnished by an educational or medical organization as provided in R.S. 47:301(14)(b)(ii).

(9) Sales of admissions to entertainment events by a little theater organization as provided in R.S. 47:305.6.

(10) Sales of admissions to musical performances by a nonprofit organization as provided in R.S. 47:305.6.

(11) Sales of admissions to entertainment events sponsored by a domestic nonprofit charitable or educational organization as provided in R.S. 47:305.12.

(12) Sales of admissions to, parking fees charged at, and tangible personal property sold at events sponsored by a nonprofit organization as provided in R.S. 47:305.14(A)(1).

(13) Sales of admissions to and parking fees charged at fairs and festivals sponsored by a nonprofit organization as provided in R.S. 47:305.18.

C. Notwithstanding any contrary provision of this Section, the annual reporting requirement shall not apply to nonprofit entities and their affiliates that have been granted an exemption from federal income tax pursuant to Section 501(c)(3) of the Internal Revenue Code.

Section 2. This Act shall become effective on July 1, 2016.

Approved by the Governor, June 28, 2016.

A true copy:

Tom Schedler
Secretary of State
ACT No. 8

HOUSE BILL NO. 20
BY REPRESENTATIVE REYNOLDS

AN ACT

To amend and reenact R.S. 47:287.95(A), (C)(1), (D), and (F)(2)(b) and to enact R.S. 47:287.95(E), (L), and (M), relative to corporate income tax; to provide for the weighing of certain ratios in the calculation of Louisiana income; to provide for the sourcing of certain sales; to provide for applicability; to provide for an effective date; and to provide for related matters.

Section 1. R.S. 47:287.95(A), (C)(1), (D), and (F)(2)(b) are hereby amended and reenacted and R.S. 47:287.95(E), (L), and (M) are hereby enacted to read as follows:

A. Determination of Louisiana apportionment percent

(1) Air transportation. The Except as provided for in Paragraph (2) of this Subsection, the Louisiana apportionment percent of any taxpayer whose net apportionable income is derived primarily from the business of transportation by aircraft shall be the arithmetical average of two ratios, as follows:

(a) The ratio of the value of immovable and corporeal movable property, other than aircraft, owned by the taxpayer and located in Louisiana to the value of all immovable and corporeal movable property, other than aircraft, owned by the taxpayer.

(b) The ratio of the amount paid by the taxpayer for salaries, wages, and other compensation for personal services rendered in Louisiana to the total amount paid by the taxpayer for salaries, wages, and other compensation for personal services.

(2) For taxable periods beginning on or after January 1, 2016, and for the purpose of this Subsection, the Louisiana apportionment percent of any taxpayer whose net apportionable income is derived primarily from the business of transportation by aircraft shall be computed by means of a single ratio consisting of the ratio provided for in Subparagraph (1)(b) of this Subsection.

B. For the purposes of this Subsection, gross apportionable income from Louisiana sources shall include all gross receipts derived from passenger journeys and cargo shipments originating in Louisiana and any other items of gross apportionable income or receipts derived entirely from sources in this state.

C. Other transportation. (1) The Except as provided in Subparagraph (b) of this Paragraph, the Louisiana apportionment percent of any taxpayer whose net apportionable income is derived primarily from the business of transportation, other than by aircraft or pipeline, shall be the arithmetical average of two ratios, as follows:

(i) The ratio of the value of immovable and corporeal movable property owned by the taxpayer and located in Louisiana to the value of all immovable and corporeal movable property owned by the taxpayer.

(ii) The ratio of the amount paid by the taxpayer for salaries, wages, and other compensation for personal services rendered in Louisiana to the total amount paid by the taxpayer for salaries, wages, and other compensation for personal services.

(2) For taxable periods beginning on or after January 1, 2016, and for the purpose of this Subsection, the Louisiana apportionment percent of any taxpayer whose net apportionable income is derived primarily from the business of transportation other than by aircraft or pipeline, shall be computed by means of a single ratio consisting of the ratio provided for in Subparagraph (1)(ii) of this Subsection.

D. For the purposes of this Subsection, the gross apportionable income from Louisiana sources shall include all income that is derived entirely from sources within the state and a portion of revenue from transportation partly without and partly within the state. The apportionment percent of any taxpayer whose net apportionable income is derived primarily from the business of transportation by pipeline or from any business not included in Subsections A through E of this Section shall be computed by means of a single ratio consisting of the ratio provided for in Subparagraph (1)(c) of this Subsection.

E. Sourcing of certain sales.

(1) Sales other than sales of tangible personal property are to be sourced to this state if the taxpayer’s market for the sale is in this state. The taxpayer’s market for a sale is in this state and the sale is assigned to the state for the purpose of this Section as follows:

(a) In the case of sale, rental, lease, or license of immovable property, if and to the extent the property is located in the state.

(b) In the case of rental, lease, or license of tangible personal property, if and to the extent the property is located in the state.

(c) In the case of a service, if and to the extent the service is delivered to a location in the state.

(2) In the case of lease or license of intangible property, including a sale or exchange of such property where the receipts from the sale or exchange derive from payments that are contingent on the productivity, use, or disposition of the property, if and to the extent the intangible property is used in the state.

(3) In the case of the sale of intangible property, other than as provided in Subparagraph (d) of this Paragraph, where the property sold is a contract right, government license, or similar intangible property that authorizes the use of a business activity in a specified geographic area, and to the extent the intangible property is used in or otherwise associated with the state; provided, however, that any sale of intangible property, not otherwise described in this Subparagraph and Subparagraph (d) of this Paragraph, is sourced to this state.

THE ADVOCATE

* As it appears in the enrolled bill

CODING: Words in strikethrough type are deletions from existing law; words underscored (House Bills) and underlined and boldfaced (Senate Bills) are additions.
Paragraph, shall be excluded from the numerator and the denominator of the sales factor.

2. In the case where the taxpayer’s customer is an individual, the taxpayer shall include receipts from the sale of a service as follows:
   (a) In the case where a taxpayer’s customer is a natural person and the service provided is a direct personal service, the sale shall be sourced to the state where the customer received the direct personal service.
   (b) In the case where the sourcing methodology specified by Subparagraph (a) or (b) of this Paragraph fails to clearly reflect the taxpayer’s market in this state, the taxpayer may utilize, or the department may require, the use of other criteria and methodologies that will reasonably approximate the taxpayer’s market in this state. If an alternate approach is utilized, the taxpayer shall attach to the tax return a detailed explanation of why it was unreasonable to utilize the methodology specified by Subparagraph (a) or (b) of this Paragraph and an explanation of the methodology used. If the taxpayer fails to make such a disclosure on the return, the taxpayer shall be presumed to consent to the sourcing as detailed in Subparagraph (a) or (b) of this Paragraph as applicable.

3. In the case where the taxpayer’s customer is an entity that is unrelated to the taxpayer, the taxpayer shall source receipts from the sale of a service as follows:
   (a) To the extent a service is provided to an unrelated entity and the service being provided has a substantial connection to a specific geographic location, the income shall be sourced to Louisiana if the geographic location is in this state. If the service receipts have a substantial connection to geographic locations in more than one state, the sales shall be reasonably sourced by the apportionment method.
   (b) To the extent a service is provided to an unrelated entity and the service being provided does not have a substantial connection to a specific geographic location, sales from services delivered to unrelated entities shall be sourced pursuant to this Section and the regulations thereunder, the sale shall be sourced to the state of assignment cannot be determined or reasonably approximated pursuant to this Section and the regulations thereunder, the sale shall be presumed to consent to the sourcing as detailed in Subparagraph (a) or (b) of this Paragraph as applicable.
   (d) The secretary shall promulgate rules pursuant to the Administrative Procedure Act concerning the sourcing of the sales of services between related entities.

(e) As used in this Subsection, a related entity shall include:
   (1) A stockholder, or a stockholder’s partnership, or juridical person, if the stockholder and the stockholder’s partnerships, or juridical persons, own directly, indirectly, beneficially, or constructively, including as provided for under 26 U.S.C. 1563, in the aggregate, at least fifty percent of the value of the corporation’s outstanding stock.
   (2) A corporation, or a party related to the corporation in a manner that would result in a distribution of stock from the corporation to the party or from the party to the corporation under the attribution rules of 26 U.S.C. 315, if the taxpayer owns, directly, indirectly, beneficially, or constructively, at least fifty percent of the value of the corporation’s outstanding stock.
   (3) A party related to a member of a controlled group of corporations as defined in 26 U.S.C. 1563, or any other person that would be a member of a controlled group if rules similar to those in 26 U.S.C. 1563, were applied to that person.

(5) Whenever a taxpayer is subjected to different sourcing methodologies regarding intangibles or services by the department and one or more other state taxing authorities, the taxpayer may petition, and the department shall participate in, and encourage the other state taxing authorities to participate in, non-binding mediation in accordance with rules promulgated pursuant to the Administrative Procedure Act.

M. If the taxpayer is not taxable in a state to which a sale is assigned or if the state of assignment cannot be determined or reasonably approximated pursuant to this Section and the regulations thereunder, the sale shall be excluded from the numerator and the denominator of the sales factor.

Section 2. The provisions of this Act shall be applicable to all taxable periods beginning on and after January 1, 2016.

Section 3. This Act shall become effective upon signature by the governor or, if not signed by the governor, upon expiration of the time for bills to become laws as provided by the Constitution of Louisiana. If vetoed by the governor and subsequently approved by the legislature, this Act shall become effective on the day following such approval.

Approved by the Governor, June 28, 2016.

A true copy:

Tom Schedler
Secretary of State

* As it appears in the enrolled bill
To amend and reenact R.S. 47:293(9)(a)(xvii), relative to individual income  
tax liability; to reduce the deduction for certain net capital gains;  
to provide for an effective date; and to provide for related matters.  

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 47:293(9)(a)(xvii) is hereby amended and reenacted to read as follows:

(9)(a) “Tax table income”, for resident individuals, means adjusted gross  
income plus interest on obligations of a state or political subdivision thereof,  
which was held for a minimum of five years immediately prior to the sale or  
exchange. The amount of the deduction shall be limited as follows:

(I) For the sale or exchange of an equity interest or substantially all of the  
assets of an entity domiciled in the state for twenty years or greater, but  
less than twenty-five years, prior to the sale or exchange, the capital gains  
deduction shall be eighty percent.

(II) For the sale or exchange of an equity interest or substantially all of the  
assets of an entity domiciled in the state for twenty-five years or greater,  
but less than thirty years, prior to the sale or exchange, the capital gains  
deduction shall be seventy percent.

(III) For the sale or exchange of an equity interest or substantially all of the  
assets of an entity domiciled in the state for thirty years or greater, prior to  
the sale or exchange, the capital gains deduction shall be sixty percent.

(IV) For the sale or exchange of an equity interest or substantially all of the  
assets of an entity domiciled in the state for thirty years or greater, but less  
than thirty years, prior to the sale or exchange, the capital gains deduction  
shall be seventy percent.

(V) For the sale or exchange of an equity interest or substantially all of the  
assets of an entity domiciled in the state for thirty years or greater, but less  
than forty years, prior to the sale or exchange, the capital gains deduction  
shall be sixty percent.

(VI) For the sale or exchange of an equity interest or substantially all of the  
assets of an entity domiciled in the state for forty years or greater, prior to  
the sale or exchange, the capital gains deduction shall be fifty percent.

Section 2. The provisions of this Act shall be applicable to sales or  
exchanges of equity interests or assets that occur on or after the effective  
date of this Act.

Section 3. This Act shall become effective upon signature by the governor  
or, if not signed by the governor, upon expiration of the time for bills to  
become law without signature by the governor, as provided by Article III,  
Section 18 of the Constitution of Louisiana. If vetoed by the governor and  
subsequently approved by the legislature, this Act shall become effective on  
the day following such approval.

Approved by the Governor, June 28, 2016.

A true copy:

Tom Schedler  
Secretary of State

ACT No. 12

BE IT ENACTED By the House of Representatives of the State of Louisiana:

Section 1. R.S. 47:302(A)(2) and 321.1(F)(66), relative to state sales and use taxes; to  
provide with respect to the effectiveness of exemptions and exclusions for  
sales of certain tangible personal property and services; to provide for  
sales tax exchanges of assets that occur on or after September 1, 2016,  
notwithstanding the tax period to which the claim relates.

Section 2. This Act shall become effective upon signature by the governor  
or, if not signed by the governor, upon expiration of the time for bills to  
become law without signature by the governor, as provided by Article III,  
Section 18 of the Constitution of Louisiana. If vetoed by the governor and  
subsequently approved by the legislature, this Act shall become effective on  
the day following such approval.

Approved by the Governor, June 28, 2016.

A true copy:

Tom Schedler  
Secretary of State

ACT No. 11

BE IT ENACTED By the House of Representatives of the State of Louisiana:

Section 1. R.S. 47:287.657, 617, and 1624.1 are hereby repealed in their  
totality.

Section 2. R.S. 47:293(9)(a)(xvii) is hereby repealed in its entirety.

Section 3. The provisions of this Act shall apply to any refunds issued  
thereon or after September 1, 2016, notwithstanding the tax period to which  
the claim relates.

Section 4. This Act shall become effective on July 1, 2016.

Approved by the Governor, June 28, 2016.

A true copy:

Tom Schedler  
Secretary of State
§302. Imposition of tax

* * *

W. Notwithstanding any other provision of law to the contrary, including but not limited to any contrary provisions of this Chapter, for the period April 1, 2016 through July 1, 2018, the following exclusions and exemptions to the tax levied pursuant to the provisions of this Section shall be allowable except for exemptions and exclusions for sales or purchases of the following items and for those items enumerated in Subsection AA of this Section:

* * *

AA. Notwithstanding any other provision of this Section to the contrary, beginning July 1, 2016, the following specific exclusions and exemptions shall be applicable to the tax levied pursuant to the provisions of this Section:

(1) Sales of room rentals by a camp or retreat facility owned by a nonprofit organization as provided in R.S. 47:301(6)(b).

(2) Sales of room rentals by a homeless shelter as provided in R.S. 47:301(6)(c).

(3) Sales, leases, and rentals of tangible personal property and sales of services necessary to operate free hospitals as provided in R.S. 47:301(7)(c), (10)(p), and (18)(e).

(4) Sales, leases, or rentals of tangible personal property to Boys State of Louisiana, Inc. and Girls State of Louisiana, Inc. as provided in R.S. 47:301(7)(g) and (10)(c).

(5) Sales by nonprofit entities that sell donated goods as provided in R.S. 47:301(3)(f).

(6) Isolated or occasional sales of tangible personal property by a person not engaged in such business as provided in R.S. 47:301(10)(c)(i)(bb).

(7) Sales of human tissue transplants as provided in R.S. 47:301(10)(d).

(8) Sales of food items by a youth-serving organization chartered by the United States Congress as provided in R.S. 47:301(10)(h).

(9) Sales and donations of tangible personal property by food banks as provided in R.S. 47:301(10)(i) and (18)(a)(i).

(10) Sales or purchases of fire-fighting equipment by volunteer fire departments as provided in R.S. 47:301(10)(l).

(11) Sales to, and leases, rentals, and use of educational materials and equipment used for classroom instruction by parochial and private elementary and secondary schools that comply with the court order from the Dodd Brumfield decision and Section 501(c)(3) of the Internal Revenue Code as provided in R.S. 47:301(7)(f), (10)(q)(ii), and (18)(e)(ii).

(12) Sales by parochial and private elementary and secondary schools that comply with the court order from the Dodd Brumfield decision and Section 501(c)(3) of the Internal Revenue Code as provided in R.S. 47:301(10)(q)(ii) and (18)(e)(ii).

(13) Sales, as provided in R.S. 47:301(14)(b)(i), but only of admissions to athletic and entertainment events held for or by an elementary or secondary school and membership fees or dues of nonprofit, civic associations.

(14) Sales or use of materials used directly in the collection of blood as provided in R.S. 47:301(16)(c).

(15) Sales or use of apheresis kits and leukoreduction filters as provided in R.S. 47:301(16)(b).

(16) Sales or use of orthotic devices, prosthetic devices, hearing aids, eyeglasses, contact lenses, and Wheelchairs prescribed by physicians, optometrists, or licensed chiropractors used exclusively by the patient for personal use as provided in R.S. 47:305(9)(c). (17) Sales or use of ostomy, colostomy, and ileostomy devices and equipment as provided in R.S. 47:305(9)(c) but only of admissions to athletic and entertainment events sponsored for or by an elementary or secondary school and membership fees or dues of nonprofit, civic associations.

(18) Sales or use of adaptive driving equipment and motor vehicle modifications prescribed for personal use as provided in R.S. 47:305(10)(d).

(19) Sales of meals by educational institutions, medical facilities, mental institutions, and occasional meals furnished by educational, religious, or medical organizations as provided in R.S. 47:305(9)(c).

(20) Purchase or rental of kidney dialysis machines, parts, materials, and supplies for home use under a physician’s prescription as provided in R.S. 47:305(9).

(21) Sales of admissions to entertainment events by Little Theater organizations as provided in R.S. 47:305(6).

(22) Sales of admissions to musical performances sponsored by nonprofit organizations as provided in R.S. 47:305(7).

(23) Sales of admissions to entertainment events sponsored by domestic nonprofit charitable, religious, and educational organizations as provided in R.S. 47:305(13).

(24) Sales of admissions, parking fees, and sales of tangible personal property at events sponsored by domestic, civic, educational, historical, charitable, fraternal, or religious nonprofit organizations as provided in R.S. 47:305.14(L)(1).

(25) Sales of admissions and parking fees at fairs and festivals sponsored by nonprofit organizations as provided in R.S. 47:305.16.

(26) Sales of purchases of fishing vessels, supplies, fuels, lubricants, and repairs for the vessels of licensed commercial fishermen as provided in R.S. 47:305.20.

(27) Sales of butane, propane, or other liquefied petroleum gases for private, residential consumption as provided in R.S. 47:305.39.

(28) Sales and purchases by certain organizations that provide training for blind persons as provided in R.S. 47:305.13.

F. Notwithstanding any other provision of law to the contrary, including but not limited to any contrary provision of this Chapter, there shall be no exclusions or exemptions for sales or purchases of the following items:

(66) Beginning July 1, 2016, in addition to those exclusions and exemptions provided for in Paragraphs (1) through (65) of this Subsection, the following exclusions and exemptions shall be allowable for purposes of the tax levied pursuant to the provisions of this Section:

(a) Sales of room rentals by a camp or retreat facility owned by a nonprofit organization as provided in R.S. 47:301(6)(b).

(b) Sales of room rentals by a homeless shelter as provided in R.S. 47:301(6)(c).

(c) Sales, leases, or rentals of tangible personal property to Boys State of Louisiana, Inc. and Girls State of Louisiana, Inc. as provided in R.S. 47:301(7)(g) and (10)(c).

(d) Sales or purchases of fire-fighting equipment by volunteer fire departments as provided in R.S. 47:301(10)(o).

(e) Sales to, and leases, rentals, and use of educational materials and equipment used for classroom instruction by parochial and private elementary and secondary schools that comply with the court order from the Dodd Brumfield decision and Section 501(c)(3) of the Internal Revenue Code as provided in R.S. 47:301(7)(f), (10)(q)(ii), and (18)(e)(ii).

(f) Sales, as provided in R.S. 47:301(14)(b)(i), but only of admissions to athletic and entertainment events held for or by an elementary or secondary school and membership fees or dues of nonprofit, civic associations.

(g) Sales or use of orthotic devices, prosthetic devices, hearing aids, eyeglasses, contact lenses, and wheelchairs prescribed by physicians, optometrists, or licensed chiropractors used exclusively for the patient for personal use as provided in R.S. 47:305(9)(c). (h) Sales or use of ostomy, colostomy, and ileostomy devices and equipment as provided in R.S. 47:305(9)(c).

(i) Sales of admissions to entertainment events by Little Theater organizations as provided in R.S. 47:305(6).

(j) Sales of admissions to musical performances sponsored by nonprofit organizations as provided in R.S. 47:305(7).

(k) Sales of admissions to entertainment events sponsored by domestic nonprofit charitable, religious, and educational organizations as provided in R.S. 47:305(13).

(l) Sales of admissions, parking fees, and sales of tangible personal property at events sponsored by domestic, civic, educational, historical, charitable, fraternal, or religious nonprofit organizations as provided in R.S. 47:305.14(L)(1).

(m) Sales of admissions of musical performances sponsored by nonprofit organizations as provided in R.S. 47:305.17.

(n) Sales of admissions to entertainment events sponsored by domestic nonprofit charitable, religious, and educational organizations as provided in R.S. 47:305(13).

(o) Sales of admissions to entertainment events sponsored by domestic nonprofit charitable, religious, and educational organizations as provided in R.S. 47:305.17.

(p) Sales of admissions, parking fees, and sales of tangible personal property at events sponsored by domestic, civic, educational, historical, charitable, fraternal, or religious nonprofit organizations as provided in R.S. 47:305.18.

(q) Sales of admissions and parking fees at fairs and festivals sponsored by nonprofit organizations as provided in R.S. 47:305.18.

(r) Purchases of fishing vessels, supplies, fuels, lubricants, and repairs for the vessels of licensed commercial fishermen as provided in R.S. 47:305.20.

(s) Sales of butane, propane, or other liquefied petroleum gases for private, residential consumption as provided in R.S. 47:305.39.

(t) Sales and purchases by certain organizations that provide training for blind persons as provided in R.S. 47:305.13.

Section 2. If any provision of this Act or its application to any person or circumstance is held invalid, the invalidity shall not affect other provisions or applications of this Act that can be given effect without the invalid provision or application, and to this end the provisions of this Act are severable.

Section 3. This Act shall become effective upon signature by the governor or, if not signed by the governor, upon expiration of the time for bills to become law without the signature of the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If vetoed by the governor and subsequently approved by the legislature, this Act shall become effective on the day following such approval.

Approved by the Governor, June 28, 2016.

A true copy

Tom Schedler
Secretary of State

* * *
Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 39:467 and 468 are hereby amended and reenacted to read as follows:

A. Definitions. For purposes of this Chapter the following terms and phrases shall have the following meanings:

(1) “Event” means any event, large scale bid-upon event, activity, or enterprise, excluding a trade show.

(2) “Large scale bid-upon event” means the instance when a nonprofit organization, located in a parish with a population of more than two hundred fifty thousand, whose mission is to bid upon, contract and manage large scale sporting and entertainment events on behalf of the state of Louisiana, has won a waiver of taxes or a waiver of all tax has been offered as an enhancement of any political subdivision or any commission of such political subdivision if the commercial arena facility or facility has a seating capacity of at least seven thousand five hundred and is located within a parish with a population in excess of one hundred eighty-five thousand and less than two hundred fifty thousand according to the most recent federal decennial census, or the publicly owned property on which the facilities are located.

(3) “Sale” means sales of taxable services and tangible personal property at an event at a locally or university owned domed facility, a state-owned domed facility or baseball facility or any other facility which are owned and operated by or by the state, or any of its agencies, boards, or commissions, or by any political or subdivision or on the publicly owned property on which the facility is located, as provided in Subsection G of this Subsection.

(4) “State owned domed facility or baseball facility” means a facility or site that is owned and operated by or for the state, or any of its agencies, boards, or commissions, and is located within a body politic and corporate and political subdivision of the state composed of more than one parish and that meets any of the following criteria:

(a) A domed facility which has a seating capacity of at least seven thousand five hundred, or the publicly owned property on which the facility is located.

(b) A domed facility which has a seating capacity of at least seven thousand five hundred, and has a professional sports franchise that participates in Class Triple-A professional baseball.

(5) “Trade show” means a trade show or other event at which the sale of goods is the primary purpose of the event.

(6) “Any event, activity, or enterprise, or the right of admission thereto, conducted in any domed facility owned and operated by or for the state, or any of its agencies, boards, or commissions, which facility has a seating capacity of at least seventy thousand and is located within a body politic and corporate and political subdivision of the state composed of more than one parish, or any sale, service, or other transaction occurring in such facility or on the publicly owned property on which the facility is located, including the sale of admission tickets to events, activities, or enterprises, wherever sold, parking, and the proceeds from the operation of which shall be exempt from all present and future taxes authorized in Subparagraph (A)(1).”

B. State owned facility. (1) Sales occurring for or at an event at a state owned domed facility or baseball facility shall be exempt from sales and use taxes imposed by the state and political subdivisions as follows:

(a) Admission tickets to athletic contests or any large scale bid-upon events on or before September 1, 2016, and including the sale of admission tickets to events, activities, or enterprises, wherever sold, parking, and the proceeds from the operation of which shall be exempt from all present and future taxes authorized in Subparagraph (A)(1).

(b) Any sale, service, or other transaction, including the sale of parking, and for purposes of a state owned baseball facility parking on adjacent property under the same jurisdiction, such sales occurring in the facility in connection with athletic contests or any large scale bid-upon events, including for such contests and events where sales tax obligations created on or after April 1, 2016, were absorbed and the outstanding tax has yet to be remitted, sold in either of the following:

(i) At a publicly owned domed stadium facilities;

(ii) At a publicly owned baseball facility;

(iii) At a publicly owned multi-purpose facility or site that is owned and operated by or for the state, or any of its agencies, boards, or commissions, or by any political subdivision or on the publicly owned property on which the facility is located.

(2) Any event, activity, or enterprise, or the right of admission thereto, conducted in any open baseball facility owned and operated by the state, or any of its agencies, boards, or commissions, which facility has a seating capacity of at least seven thousand five hundred, or the publicly owned property on which the facility is located, including the sale of admission tickets to events, activities, or enterprises, wherever sold, parking, and the proceeds from the operation of which shall be exempt from all present and future taxes authorized in Subparagraph (A)(1).
site is located, including without limitation the sale of admission tickets to events, activities, or enterprises, wherever sold, parking, and tours of the facility, and all present and future sales and use taxes levied by the state or by any local taxing authority, including but not limited to the sales, use, amusement, or any other tax.

C. Locally or university owned domed facility. For purposes of state sales and use taxes, the following provisions shall apply to sales occurring at an event at a locally or university owned domed facility:

(1) Admission tickets to athletic contests or any large scale bid-upon events sold in either of the following:

(i) The primary ticket market.

(ii) Any sale, service, or other transaction occurring in such facility, including the sale of parking on adjacent property under the same jurisdiction, in connection with athletic contests or any large scale bid-upon events.

(2) Sales of goods from a team merchandise store at the facility.

(3) Fifty percent of the cost price of admission tickets to events, activities, or enterprises other than tickets to athletic contests or any large scale bid-upon events, wherever sold.

(4) The full price of admission tickets to non-athletic events if the event was bid upon, awarded, or under contract on or before September 1, 2016.

D. The exemptions established in this Section shall apply to any event, activity, or enterprise held in conjunction with athletic events or any large scale bid-upon event or other event allowed under an existing lease or an extension thereof, inclusive of activities within and adjacent to the facility to which the exemptions apply.

E. The exceptions established in this Section shall not extend to any sale of goods or services or tangible personal property at a trade show or other event at which the sale of such goods or property is the primary purpose of the show or event not specifically provided for in this Section.

F. The provisions of this Section shall not be interpreted as either imposing or rendering the following activities subject to the imposition of any state or local tax:

(1) Sales of admission tickets and parking for intercollegiate athletic events sponsored or promoted by a Louisiana-based college or university, including any conferences, leagues, and associations in which they participate, and a nonprofit corporation affiliated with such a college or university.

(2) Sales of admission tickets and parking for high school athletic events sponsored or promoted by a Louisiana high school, including any conferences, leagues, and associations in which they participate.

(3) Sales of admission tickets and parking for youth sports events sponsored or promoted by a Louisiana-based youth sports league or association.

G. Notwithstanding any provision of law to the contrary, for purposes of state and local sales and use taxes, the exemptions provided in Subsection B of this Section shall apply to sales for or at a regularly scheduled major annual sporting event when the income taxes attributable to the nonresident professional athletes participating in the event are dedicated to the Sports Facility Assistance Fund in accordance with the provisions of R.S. 30:100.

H. However, notwithstanding any provision of law to the contrary, taxable sales occurring at a facility owned and operated by or for the state, or any of its agencies, boards, or commissions, or by any political subdivision, or any sale, service, or other transaction occurring in such facility or on the publicly owned or on the publicly owned property on which the facility is located, including without limitation the sale of admission tickets to events, activities, or enterprises, wherever sold, parking, and tours of the facility hereinafter referred to collectively as “facility”, shall be exempt from all present and future sales and use taxes and amusement taxes levied by the state including but not limited to the sales, use, amusement, or any other tax provided however that such exemption shall not apply unless the local taxing authority first exempts from any tax levied by that authority, such events, activities, enterprises, services, sales, or other transaction occurring within said facility or on the publicly owned or on the publicly owned property on which the facility is located, including without limitation the sale of admission tickets to events, activities, or enterprises, wherever sold, parking, and tours of the facility at which the sale of such goods or property is the primary purpose of the show or event, and political subdivisions as provided for in Subsections B and C of this Section.

I. Exemptions from the state sales and use tax for event sales at a facility shall be the same as those in effect for purposes of local sales and use taxes.

J. Local sales and use tax exemptions.

(1) A local taxing authority may adopt exemptions from any tax levied by that authority for any and all sales at or for an event or events occurring at a facility within the jurisdiction of the local taxing authority. For purposes of this Section, a local taxing authority may adopt any and all of the following exemptions:

(a) Admission tickets to athletic events sold in either of the following:

(i) The primary ticket market.

(ii) Any sale, service, or other transaction occurring in such facility, including the sale of parking on adjacent property under the same jurisdiction, in connection with athletic contests or any large scale bid-upon events.

(b) Sales of goods from a team merchandise store at the facility.

(c) Fifty percent of the cost price of admission tickets to events, activities, or enterprises other than tickets to athletic events, wherever sold.

(d) Tours of the facility.

(e) Full price of admission tickets on non-athletic events if the event was bid upon, awarded, or under contract on or before September 1, 2016.

(f) Tours pursuant to events allowed under an existing lease or extension thereof.

D. The exemptions provided in this Section shall apply to any event, activity, or enterprise held in conjunction with athletic events or any large scale bid-upon event or other event allowed under an existing lease or an extension thereof, inclusive of activities within and adjacent to the facility to which the exemptions apply.

E. The imposition of local tax proceeds.

(1) If the local sales and use tax proceeds were derived from event sales at a facility located on the property of a public post-secondary educational institution located in the parish, all such tax proceeds shall be distributed to the West Feliciana Parish School Board.

(2) After satisfaction of the requirements of Paragraph (1) of this Subsection, of the total remaining local sales and use tax proceeds in a parish having a population in excess of three hundred twenty thousand and less than four hundred thousand persons as of the latest federal decennial census which were derived from event sales at a facility subject to the provisions of R.S.39:467, an amount equal to twenty percent shall be distributed to the West Feliciana Parish School Board, and an amount equal to thirty-four percent shall be allocated to the West Feliciana Parish School Board.

(3) After satisfaction of the requirements of Paragraph (1) of this Subsection, of the total remaining local sales and use tax proceeds derived from event sales at the Angola State Penitentiary Prison Rodeo, an amount equal to sixty-six percent shall be allocated to the West Feliciana Parish School Board, and an amount equal to thirty-four percent shall be allocated to the West Feliciana Parish School Board.

(4) After satisfaction of the requirements of Paragraph (1) of this Subsection, of the total remaining local sales and use tax proceeds derived from event sales at the Angola State Penitentiary Prison Rodeo, an amount equal to sixty-six percent shall be allocated to the West Feliciana Parish School Board, and an amount equal to thirty-four percent shall be allocated to the West Feliciana Parish School Board.

F. The provisions of this Section shall not be interpreted as either imposing or rendering the following activities subject to the imposition of any state or local tax:

(1) Sales of admission tickets and parking for intercollegiate athletic events sponsored or promoted by a Louisiana-based college or university, including any conferences, leagues, and associations in which they participate, and a nonprofit corporation affiliated with such a college or university.

(2) Sales of admission tickets and parking for high school athletic events sponsored or promoted by a Louisiana high school, including any conferences, leagues, and associations in which they participate.

(3) Sales of admission tickets and parking for youth sports events sponsored or promoted by a Louisiana-based youth sports league or association.

G. Notwithstanding any provision of law to the contrary, including any provisions of Paragraph (1) of this Subsection, of the total remaining local sales and use tax proceeds derived from event sales at the Angola State Penitentiary Prison Rodeo, an amount equal to sixty-six percent shall be allocated to the West Feliciana Parish School Board, and an amount equal to thirty-four percent shall be allocated to the West Feliciana Parish School Board.

H. The provisions of this Section shall not be interpreted as either imposing or rendering the following activities subject to the imposition of any state or local tax:

(1) Sales of admission tickets and parking for intercollegiate athletic events sponsored or promoted by a Louisiana-based college or university, including any conferences, leagues, and associations in which they participate, and a nonprofit corporation affiliated with such a college or university.

(2) Sales of admission tickets and parking for high school athletic events sponsored or promoted by a Louisiana high school, including any conferences, leagues, and associations in which they participate.

(3) Sales of admission tickets and parking for youth sports events sponsored or promoted by a Louisiana-based youth sports league or association.

Section 2. The provisions of this Act shall be applicable to all taxable periods beginning on or after September 1, 2016.

Section 3. Notwithstanding the provisions of R.S. 24:175, if any provision of the Act or the application thereof is held invalid, every other provision or application of this Act shall not be effective regardless of whether it could have been made effective without the invalid provisions or applications. To this end, the provisions of this Act and the application thereof are hereby declared unseverable.
Section 4. If any provision of this Act or the application thereof is held to be unconstitutional there shall be no allocation of the avails of the sales and use tax provided by those provisions of this Act.

Section 5. This Act shall become effective upon signature by the governor or, if not signed by the governor, upon expiration of the time for bills to become law without signature by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If vetoed by the governor and subsequently approved by the legislature, this Act shall become effective on the day following such approval.

Approved by the Governor, June 28, 2016.

A true copy:
Tom Schedler
Secretary of State

ACT No. 14

HOUSE BILL NO. 69
BY REPRESENTATIVE HENRY
AN ACT

To appropriate funds and to make certain reductions from certain sources to be allocated to designated agencies and purposes in specific amounts and for the making of supplemental appropriations and reductions for said agencies and purposes for Fiscal Year 2016-2017; to provide for an effective date; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. The following sums are hereby appropriated or the appropriations are hereby reduced from the sources specified and in the amounts specified for the purpose of making supplemental appropriations and reductions for Fiscal Year 2016-2017. Reductions are denoted in parentheses. Appropriations contained in this Section are designated as supplementary budget recommendations from the sources of revenue specified and shall become effective in the event the official forecast for Fiscal Year 2016-2017 is revised at the meeting of the Revenue Estimating Conference to incorporate additional revenue as a result of enactment of instruments of the 2016 Second Ordinary Session of the Legislature. In the event additional revenue is insufficient to fully fund the appropriations contained in this Section from a specific source of revenue, the appropriations out of that source of revenue shall be reduced on a pro rata basis based upon the amount by which the additional revenues from the specific source are insufficient to fully fund the appropriations.

EXECUTIVE DEPARTMENT

01-100 EXECUTIVE OFFICE

Payable out of the State General Fund (Direct) to the Administrative Program to restore funding for five (5) positions
$ 338,546

01-107 DIVISION OF ADMINISTRATION

Payable out of the State General Fund (Direct) to the Executive Administration Program to restore funding for positions and operating expenses
$ 1,000,000

ELECTED OFFICIALS

DEPARTMENT OF JUSTICE

04-141 OFFICE OF THE ATTORNEY GENERAL

Provided, however, that the commissioner of administration is authorized and directed to adjust the expenditures for this agency as contained in the Act that originated as House Bill No. 1 of the of the 2016 Regular Session of the Legislature by reducing the expenditures out of the Litigation Program by ($1,000,000) and increasing the expenditures out of the Administrative Program by $1,000,000.

Payable out of State General Fund by Interagency Transfers from the Coastal Protection and Restoration Authority to reimburse the department for approved legal expenses related to any settlement, judgment, or final disposition of the state’s claims in any Deepwater Horizon litigation
$ 7,000,000

Provided, however, that the Office of the Attorney General shall receive only an amount of State General Fund by Interagency Transfers from the Coastal Protection and Restoration Authority sufficient to reimburse the department for approved legal expenses related to any settlement, judgment, or final disposition of the state’s claims in any Deepwater Horizon litigation. Such amount shall not exceed $7,000,000.
Provided, however, that the commissioner of administration is hereby authorized and directed to adjust the means of financing in this act as contained in the Act that originated as House Bill No. 1 of the 2016 Regular Session of the Legislature by reducing the appropriation out of the State General Fund (Direct) by ($65,636,851).

EXPENDITURES:
Payments to Private Providers Program for payments to the Medicaid managed care plans  $ 202,250,090
TOTAL EXPENDITURES $ 202,250,090

MEANS OF FINANCE:
State General Fund by:
Louisiana Medical Assistance Trust Fund  $ 64,366,420
Federal Funds  $ 137,883,670
TOTAL MEANS OF FINANCING $ 202,250,090

EXPENDITURES:
Payments to Private Providers Program for payments to the public private partnership hospitals  $ 101,632,852
Uncompensated Care Costs Program for payments to the public private partnership hospitals  $ 32,224,836
TOTAL EXPENDITURES $ 133,857,688

MEANS OF FINANCE:
State General Fund by:
Louisiana Medical Assistance Trust Fund  $ 50,511,446
Federal Funds  $ 83,346,242
TOTAL MEANS OF FINANCING $ 133,857,688

EXPENDITURES:
Payments to Private Providers Program for payments to the Medicaid managed care plans  $ 49,775,525
TOTAL EXPENDITURES $ 49,775,525

MEANS OF FINANCE:
State General Fund by:
Louisiana Medical Assistance Trust Fund  $ 18,785,283
Federal Funds  $ 30,990,242
TOTAL MEANS OF FINANCING $ 49,775,525

09-340 OFFICE FOR CITIZENS WITH DEVELOPMENTAL DISABILITIES

Vetoed--July 1, 2016 /s/John Bel Edwards
Veto #1 Gov. of La.

Veto Message No. 1 - This appropriation takes $250,000 from the Office for Citizens with Developmental Disabilities and appropriates it to the Arc Caddo-Bossier for the Goldman School. Instead of funding the Goldman School with its own state general fund allocation, this appropriation takes away needed funding from the Louisiana Department of Health. In so doing, this will force a reduction in Early Steps, a vital program for children up to the age of three who have a medical condition likely to result in a developmental delay, or who have developmental delays.

DEPARTMENT OF CHILDREN AND FAMILY SERVICES

10-360 OFFICE OF CHILDREN AND FAMILY SERVICES

Payable out of the State General Fund (Direct) to the Administration and Executive Support Program  $ 1,092,000
Payable out of the State General Fund (Direct) to the Prevention and Intervention Services Program  $ 250,950
Payable out of the State General Fund (Direct) to the Community and Family Services Program  $ 1,078,350
Payable out of the State General Fund (Direct) to the Field Services Program  $ 1,078,700

HIGHER EDUCATION

19-671 BOARD OF REGENTS

Payable out of the State General Fund (Direct) to the Board of Regents for the Office of Student Financial Assistance for the Taylor Opportunity Program for Students (TOPS)  $ 67,887,110

Provided however, notwithstanding any provision of law to the contrary, the monies appropriated herein shall be used to fully fund the TOPS awards for the fall semester prior to allocation of any of this appropriation to TOPS awards for the spring semester. For schools operating on a basis other than semesters, the monies appropriated herein shall be used to fully fund the TOPS awards for the fall term/quarter prior to allocation of any of this appropriation to TOPS awards for subsequent terms/quarters.

Payable out of the State General Fund (Direct) to the Board of Regents for public institutions of higher education  $ 58,622,890

Provided, however, the $58,622,890 in State General Fund (Direct) provided for institutions of higher education contained in this Act shall be distributed in accordance with a plan developed and approved by the Board of Regents and implemented by the Division of Administration.

Provided, further, that the $58,622,890 in State General Fund (Direct) provided for institutions of higher education contained in this Act, $3,500,000 shall be allocated to the Southern University Board of Supervisors for allocation to the Southern University System's institutions.

Provided, further, that the $58,622,890 in State General Fund (Direct) provided for institutions of higher education contained in this Act, $1,000,000 shall be allocated to the University of Louisiana Board of Supervisors for allocation to Grambling State University.

19-600 LOUISIANA STATE UNIVERSITY BOARD OF SUPERVISORS

Payable out of the State General Fund (Direct) to the Louisiana State University Health Sciences Center - Shreveport for operating costs  $ 10,000,000

Payable out of the State General Fund (Direct) to the Louisiana State University Health Sciences Center - New Orleans for legacy costs  $ 3,000,000

Provided, however, that the Louisiana State University Health Sciences Center - New Orleans shall enter into the contracts necessary to ensure the success of its medical education mission.

Provided, however, that the commissioner of administration is hereby authorized and directed to adjust the means of financing for the Louisiana State University Board of Supervisors contained in this Act by reducing the appropriation out of the State General Fund (Direct) to the Louisiana State University Health Sciences Center - Shreveport by ($6,000,000) and to the Louisiana State University Health Sciences Center - New Orleans by ($2,000,000), in accordance with the Health Sciences Centers' legislative authorization to enter into contracts necessary to ensure the success of their medical education mission, further allowing the centers the opportunity to diversify their revenue base so as to fund the medical education mission by partnering with hospitals in the state to ensure access to care for Medicaid and uninsured patients and advance the medical education learning environment at the medical schools in New Orleans and Shreveport.

19-615 SOUTHERN UNIVERSITY BOARD OF SUPERVISORS

Payable out of the State General Fund (Direct) to the Southern University Board of Supervisors for allocation to the Southern University System's institutions  $ 750,000

19-620 UNIVERSITY OF LOUISIANA BOARD OF SUPERVISORS

Payable out of the State General Fund (Direct) to the University of Louisiana Board of Supervisors for allocation to Grambling State University  $ 250,000

SPECIAL SCHOOLS AND COMMISSIONS

19-653 LOUISIANA SCHOOLS FOR THE DEAF AND VISUALLY IMPAIRED

Payable out of the State General Fund (Direct) to the Administration and Shared Services Program for operating expenses  $ 153,116

Payable out of the State General Fund (Direct) to the Louisiana School for the Deaf Program
DEPARTMENT OF EDUCATION

19-681 SUBGRANTEE ASSISTANCE
Payable out of the State General Fund (Direct) to the Student-Centered Goals Program for the Student Scholarships for Educational Excellence Program $ 4,000,000

The commissioner of administration is hereby authorized and directed to adjust the means of financing in this agency as contained in the Act that originated as HB 1 of the 2016 Regular Session of the Legislature by reducing the appropriation out of the State General Fund (Direct) by ($500,000).

19-695 MINIMUM FOUNDATION PROGRAM
Payable out of the State General Fund (Direct) to the Minimum Foundation Program to increase funding for city, parish, special schools, lab schools and charter schools, and the Recovery School District, which shall be allocated in the same manner as provided in the Fiscal Year 2014-2015 MFP Formula in order to fund the expenses related to high cost special needs students, costs related to Supplemental Course Allocation, to sustain the certificated classroom teacher pay raise provided for by appropriation in Fiscal Year 2013-2014, or other operational or educational expenses related to the education of children $ 20,000,000

19-697 NONPUBLIC EDUCATIONAL ASSISTANCE
Payable out of the State General Fund (Direct) to the Required Services Program $ 1,340,000

Payable out of the State General Fund (Direct) to the School Lunch Salary Supplement Program $ 5,360,000

19-699 SPECIAL SCHOOL DISTRICT
Payable out of the State General Fund (Direct) to the Instruction Program for the provision of special education and related services for students at River Oaks Hospital in New Orleans and Brentwood Hospital in Shreveport $ 500,000

DEPARTMENT OF AGRICULTURE AND FORESTRY

04-160 DEPARTMENT OF AGRICULTURE AND FORESTRY
Payable out of the State General Fund by Statutory Dedications out of the Feed and Fertilizer Fund to the Agricultural and Environmental Sciences Program for inspection and testing of feed and fertilizer in the event additional monies in the fund are recognized by the Revenue Estimating Conference $ 249,865

Payable out of the State General Fund by Statutory Dedications out of the Pesticide Fund to the Agricultural and Environmental Sciences Program for inspection and testing of pesticides in the event additional monies in the fund are recognized by the Revenue Estimating Conference $ 412,291

DEPARTMENT OF ECONOMIC DEVELOPMENT

05-251 OFFICE OF THE SECRETARY
Provided, however, that the commissioner of administration is hereby authorized and directed to adjust the means of financing for the Executive and Administration Program as contained in the Act that originated as House Bill No. 1 of the 2016 Regular Session of the Legislature by reducing the State General Fund (Direct) by ($266,666).

DEPARTMENT OF PUBLIC SAFETY AND CORRECTIONS

05-252 OFFICE OF BUSINESS DEVELOPMENT
Payable out of the State General Fund (Direct) to the Business Development Program $ 266,666

DEPARTMENT OF JUVENILE JUSTICE

08-403 OFFICE OF JUVENILE JUSTICE
Payable out of the State General Fund (Direct) to the Administration Program to correctly align expenditures $ 5,732,447

THE ADVOCATE
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Bayou Health Plan collections in the event the additional monies are recognized by the Revenue Estimating Conference $ 3,000,000

Provided, however, that the commissioner of administration is authorized and directed to adjust the means of finance for this agency as contained in the Act that originated as House Bill No. 1 of the 2016 Regular Session of the Legislature by reducing the appropriation out of the State General Fund by Interagency Transfers by ($3,000,000) tied to Medicaid collections in the event the additional monies from Fees and Self-generated Revenues are recognized by the Revenue Estimating Conference.

DEPARTMENT OF CHILDREN AND FAMILY SERVICES

10-360 OFFICE OF CHILDREN AND FAMILY SERVICES

Payable out of the State General Fund (Direct) to the Administration and Executive Support Program for a shortfall in Child Welfare Services due to refusal of the Targeted Case Management proposal $ 1,301,615

Payable out of the State General Fund (Direct) to the Prevention and Intervention Services Program for a shortfall in Child Welfare Services due to refusal of the Targeted Case Management proposal $ 362,242

Payable out of the State General Fund (Direct) to the Community and Family Services Program for a shortfall in Child Welfare Services due to refusal of the Targeted Case Management proposal $ 49,118

Payable out of the State General Fund (Direct) to the Field Services Program for a shortfall in Child Welfare Services due to refusal of the Targeted Case Management proposal $ 4,426,677

DEPARTMENT OF NATURAL RESOURCES

11-432 OFFICE OF CONSERVATION

Payable out of State General Fund by Statutory Deductions out of the Louisiana Medical Assistance Trust Fund to the Payments to Private Providers Program, in the event the additional revenues are recognized by the Revenue Estimating Conference $ 23,851,190

EXPENDITURES:
Oil and Gas Regulatory - Authorized Positions (7) $ 1,010,000
For pipeline safety inspections per Act 435 of the 2016 Regular Session $ 1,010,000

MEANS OF FINANCE:
State General Fund by:
Statutory Deductions:
Oil and Gas Regulatory Fund $ 520,000
Federal Funds $ 490,000

TOTAL MEANS OF FINANCING $ 1,010,000

LOUISIANA WORKFORCE COMMISSION

14-474 WORKFORCE SUPPORT AND TRAINING

Payable out of the State General Fund by Fees and Self-generated Revenues to the Louisiana Workforce Commission, Office of Workforce Development Program for the Louisiana Rehabilitation Services activities $ 97,781

HIGHER EDUCATION

19-615 SOUTHERN UNIVERSITY BOARD OF SUPERVISORS

Payable out of the State General Fund by Fees & Self-generated Revenues to Southern University - New Orleans for funding generated by the LaGrad Act tuition increase $ 1,634,195

DEPARTMENT OF EDUCATION

19-678 STATE ACTIVITIES

Provided, however, that of the discretionary funds appropriated from State General Fund (Direct) to Schedule 19-678, State Activities in the Act that originated as House Bill No. 1 of the 2016 Regular Session of the Legislature, $100,000 and one (1) Francophone authorized position shall be allocated for the development and implementation of a statewide French immersion program network for public and non-public elementary and secondary schools.

THE ADVOCATE PAGE 13

* As it appears in the enrolled bill
Lastly, I would like to inform you of the reasons why I have decided to veto the provision in HB 69 which “front loads” the TOPS appropriation. I strongly believe it is bad fiscal policy to budget for less than a full year of expenses and provide for higher funding to TOPS in the fall semester than the spring semester. This scheme does not give students the ability to fully prepare for the spring semester and significantly complicates applications for financial aid. However, because any veto of this language in HB 69 would likely lead to litigation that would cause significant uncertainty and chaos mere weeks before the fall semester begins, I will allow this provision to become law.

However, I do think it is important to point out that in addition to the fact that this provision is bad policy, it is also bad arithmetic. The TOPS appropriation in HB 1 for the 2016 Regular Session, which did not provide for a “front loading” condition, was $49,490,952 in funding. This appropriation thus provides for $74,745,478 from HB 1 for TOPS in the fall semester. The total TOPS appropriation in HB 69 was for $67,887,110. Even by allocating the entire amount of HB 69 TOPS funding for the fall semester, this will only provide a total of $142,632,586 in TOPS funding for the fall semester. This is more than $7 million short of the $150 million currently projected as necessary to fully fund TOPS awards for the fall semester. This shortage does not account for increased tuition that will be exercised by some universities for the 2016-2017 academic year pursuant to the GRAD Act. Thus, while the language in HB 69 states that “the monies appropriated herein shall be used to fully fund the TOPS award for the fall semester,” this is a mathematical impossibility.

Students should thus be prepared for cuts to TOPS awards in the fall semester, with cuts that grow significantly worse in the spring semester.

Section 4. This Act shall become effective on July 1, 2016.

Approved by the Governor, July 1, 2016.

A true copy,

Tom Schedler
Secretary of State

ACT No. 15
HOUSE BILL NO. 3
BY REPRESENTATIVE ABRAMSON
AN ACT

To enact the Omnibus Bond Authorization Act of 2016 and to repeal the Act which originated as House Bill No. 3 of the 2016 Regular Session of the Legislature, relative to the implementation of a five-year capital improvement program; to provide for the repeal of certain prior bond authorizations; to provide for new bond authorizations; to authorize and sell of such bonds by the State Bond Commission; to provide for contingent appropriations to be made from general obligation bond funds; to provide for the limitation of certain bond projects for the 2016 Capital Outlay Act.

Be it enacted by the Legislature of Louisiana:

Section 1. The legislature hereby recognizes that the Constitution of Louisiana provides in Article VII, Section 6, that the governor shall present to the legislature a five-year Capital Outlay Program and request implementation of the five-year capital outlay projects approved by the legislature are to be made part of the comprehensive state capital budget which shall, in turn, be adopted by the legislature.

Further, all projects in such budget adopted by the legislature requiring bond funds must be authorized as provided in Article VII, Section 6 of the Constitution of Louisiana. The legislature finds that over a period of years the legislature has enacted numerous bond authorizations, but due to inflation and the requirements of specificity of amount for each project, impossibility, or impracticability, any of the projects cannot be undertaken.

All of the unissued bonds shall be listed in the financial statements of the state prepared from time to time and in connection with the marketing of bonds, and are taken into account by rating agencies, prospective purchasers, and investors in evaluating the investment quality and credit worthiness of bonds of the state for sale. The truth is that the Legislature did not fully fund TOPS or LDH, and there will be significant cuts as a result. I have pledged to be straightforward and honest in providing realistic budgetary expectations for our state government and our citizens. This means the budget must reflect the actual revenue.

Further, the revenue collections for the current fiscal year are less than expected, and we are likely to end this fiscal year in a deficit. I am bound by the Louisiana Constitution to provide a balanced budget that eliminates this deficit. Thus, if additional revenue is recognized, I am obligated to ensure that these funds are first allocated to the appropriations affected by a deficit before they can be committed elsewhere. This language in HB 69 seemingly prevents the use of any additional revenues for the elimination of the deficit, and thus it is not consistent with the requirements in La. Const. Art. 7, Section 10.

Lastly, I would like to inform you of the reasons why I have decided to veto the provision in HB 69 which “front loads” the TOPS appropriation. I strongly believe it is bad fiscal policy to budget for less than a full year of expenses and provide for higher funding to TOPS in the fall semester than the spring semester. This scheme does not give students the ability to fully prepare for the spring semester and significantly complicates applications for financial aid. However, because any veto of this language in HB 69 would likely lead to litigation that would cause significant uncertainty and chaos mere weeks before the fall semester begins, I will allow this provision to become law.

However, I do think it is important to point out that in addition to the fact that this provision is bad policy, it is also bad arithmetic. The TOPS appropriation in HB 1 for the 2016 Regular Session, which did not provide for a “front loading” condition, was $49,490,952 in funding. This appropriation thus provides for $74,745,478 from HB 1 for TOPS in the fall semester. The total TOPS appropriation in HB 69 was for $67,887,110. Even by allocating the entire amount of HB 69 TOPS funding for the fall semester, this will only provide a total of $142,632,586 in TOPS funding for the fall semester. This is more than $7 million short of the $150 million currently projected as necessary to fully fund TOPS awards for the fall semester. This shortage does not account for increased tuition that will be exercised by some universities for the 2016-2017 academic year pursuant to the GRAD Act. Thus, while the language in HB 69 states that “the monies appropriated herein shall be used to fully fund the TOPS award for the fall semester,” this is a mathematical impossibility.

Students should thus be prepared for cuts to TOPS awards in the fall semester, with cuts that grow significantly worse in the spring semester.

Section 4. This Act shall become effective on July 1, 2016.

Approved by the Governor, July 1, 2016.

A true copy,

Tom Schedler
Secretary of State
restricting, or limiting the obligation of the state to pay the same from monies pledged and dedicated to and paid into the Bond Security and Redemption Fund or in order to pay the cost of providing the facilities required for or deemed appropriate by the State Bond Commission as will assure the required payments to the state treasury. The authorization may contain such covenants with the State Bond Commission and, when so accepted and approved, shall constitute and be the reimbursement contract for an authorized project unless and until a reimbursement contract has been entered into and executed between the applicable management board, governing body, or state agency to the state treasury. Each such reimbursement reserve account shall be used, if necessary, solely to make the reimbursement payments herein obligated to be made to the state treasury. When the general obligation bonds and the interest thereon issued hereunder have been paid, any amount remaining in the reimbursement reserve account, as prorated to such authorized project, shall be transferred by the state treasurer to the applicable management board, governing body, or state agency.

(C) No project bonds authorized by this Section shall be issued for any authorized project unless and until a reimbursement contract has been entered into and executed between the applicable management board, governing body, or state agency and the State Bond Commission as will assure the required payments to the state treasury. The contract shall require payment into the state treasury of designated student fees or revenues or other revenues in an amount sufficient to reimburse the cost to the state of the principal, interest, and premium, if any, obligated to be paid by the state on such project bonds. The State Bond Commission shall not be required to execute any such reimbursement contract unless the estimates and projections of the designated student fees or revenues or other revenues available for payment into the state treasury for any fiscal year in which such project bonds are issued and in each of the nine immediately succeeding fiscal years thereafter, shall transfer and make available to the state treasury from designated student fees or revenues or other revenues, for credit to a reimbursement reserve account for such project, an amount, or portion thereof, equal to one-tenth of the average annual debt service on such project bonds, and each such reimbursement reserve account thereafter shall be maintained in said minimum amount by further transfers, if necessary, from designated student fees or revenues or other revenues by the applicable management board, governing body, or state agency to the state treasury. Each such reimbursement reserve account shall be used, if necessary, solely to make the reimbursement payments herein obligated to be made to the state treasury.

This authorization shall provide for the dates, amounts, and other details for the payments required to be made to the state treasury and for the reserve account. The authorization may contain such covenants with the State Bond Commission regarding the fixing of rates for fees and charges or revenues and such other covenants and agreements with the State Bond Commission as will assure the required payments to the state treasury. The contract shall be subject to approval by the Office of the Attorney General and any other boards, governing bodies, or state agencies that may be designated by law or by the State Bond Commission hereafter provided for, monies in an amount equal to one-tenth of the average annual debt service on such project bonds, and each such reimbursement reserve account thereafter shall be maintained in said minimum amount by further transfers, if necessary, from designated student fees or revenues or other revenues by the applicable management board, governing body, or state agency.

(F) When the balance of reimbursement bond proceeds, for a project, are allocated to another project, the State Bond Commission is authorized to make the appropriate amendment to the reimbursement contract with the agency making the reimbursement payments.

Section 6. The bonds authorized to be sold by the State Bond Commission pursuant to this Act shall be issued and sold in conformity with the provisions of Article VII, Section 6 of the Louisiana Constitution, R.S. 39:1361 through R.S. 39:1367, and R.S. 39:1401 through R.S. 39:1430.1, and any amendments thereto adopted prior to, at the same time as, or subsequent to, the effective date of this Act. However, the provisions of R.S. 39:1365(9) shall not apply to any bonds issued hereunder in the form of variable rate and/or tender option bonds and that said bonds need not be issued in serial form and may mature in such year or years as may be specified by the State Bond Commission. If any provision of this Act be inconsistent with any provision of the Louisiana Revised Statutes of 1950, the provision of this Act shall govern. In connection with the issuance of the bonds authorized hereby, the State Bond Commission may, without regard to any other laws of the state relating to the placement of services, insurance, or facilities required for or deemed appropriate by the State Bond Commission as will assure the required payments to the state treasury. The authorization may contain such covenants with the State Bond Commission, by the state treasurer to the applicable management board, governing body, or state agency, for which the payments required to be made under a reimbursement contract shall be on a parity with the payments to be made to the state treasury on account of outstanding bonds and additional parity bonds and (2) no additional parity reimbursement bonds shall be issued except pursuant to the establishment and maintenance of an adequate reserve fund as approved by the State Bond Commission.

Section 7. The Act which originated as House Bill No. 3 of the 2016 Regular Session of the Legislature is hereby repealed in its entirety. Section 9. This Act shall become effective upon signature by the governor, or if not signed by the governor, upon expiration of the time for bills to become law without signature by the governor, as provided by Article III, Section 10 of the Constitution of Louisiana. If vetoed by the governor, it shall, if subsequently approved by the legislature, this Act shall become effective on the day following such approval. Approved by the Governor, July 9, 2016.

Act sponsored by:
Tom Schedler
Secretary of State

ACT No. 16
HOUSE BILL NO. 2
Capital Outlay
will publish in a later edition.
ACT No. 17

HOUSE BILL NO. 52
BY REPRESENTATIVE ABRAMSON
AN ACT

To provide relative to the capital outlay appropriations for Fiscal Year 2016-2017; to provide with respect to capital outlay project requests; to require the submission of certain capital outlay project requests; to provide for applicability; to provide for effectiveness.

Be it enacted by the Legislature of Louisiana:

Section 1. Notwithstanding any provision of the Capital Outlay Act of the 2016 Second Extraordinary Session of the Legislature, or any provision of law to the contrary, all projects for which a line of credit has been approved in the current fiscal year shall submit a new capital outlay request to the Office of Facility Planning and Control, which shall be received by the office on or before November 1, 2016. All new capital outlay requests submitted on non-state projects for which a line of credit has been approved in the current fiscal year shall submit a new capital outlay request which shall include a letter of support from a legislator in whose district the project is located, in order to be eligible for the Fiscal Year 2017-2018 capital outlay process. The non-state project application shall not be deemed complete unless the project has either a fully executed cooperative endeavor agreement or proof of the applicable local match, if required, submitted to and received by the division of administration, office of facility planning and control and the Joint Legislative Committee on Capital Outlay on or before February 1, 2017.

Section 2. Notwithstanding any contrary provision of the Capital Outlay Act of the 2016 Second Extraordinary Session of the Legislature, Priority 1 general obligation bond funding shall include highway projects that were previously authorized and appropriated to the Department of Transportation and Development Projects in Priority 5 of Act 26 of the 2015 Regular Session of the Legislature and that were granted non-cash lines of credit; all or part of which projects are being combined in and reauthorized in the Highway Program.

Section 3. This Act shall become effective upon signature by the governor or, if not signed by the governor, upon expiration of the time for bills to become law without signature by the governor, as provided in Article III, Section 18 of the Constitution of Louisiana. If vetoed by the governor and subsequently approved by the legislature, this Act shall become effective on the day following such approval.

Approved by the Governor, July 11, 2016.

A true copy:
Tom Schedler  
Secretary of State