2002 Guide to the Constitutional Amendments

INTRODUCTION

Louisiana voters will be asked to make decisions on 12 proposed constitutional amendments on the November 5 ballot. Major changes in state policy hinge on four of the proposals that would alter the content and order of legislative sessions, adjust the state's tax structure, provide more flexibility in dealing with state budget deficits, and mandate state supplemental pay to local law enforcement officers and fire fighters.

Louisiana leads the nation in the number of constitutions adopted at 11 and, quite likely, in the frequency of their amendment. The 1921 Louisiana Constitution initially contained 49,200 words but was amended 536 times to become the second longest constitution in the world at 255,500 words. Voters finally rebelled in 1970, defeating all 53 amendment proposals on the ballot that year. The 1974 revision shortened the document to under 35,000 words by moving many of the provisions into the statutes. However, the voters have added to its length considerably by approving 105 of 157 changes proposed since then. The record number of proposed amendments to the 1974 constitution in one year was set in 1998 at 20.

Typically constitutional amendments are proposed to correct errors in existing provisions, provide authorization for new programs or policies, ensure that reforms are not easily undone by future legislation, seek exceptions or protections for special interests, or deal with emerging issues. Placing more detail in the constitution will require additional amendments as conditions change.

The concept of the constitution as a relatively permanent statement of basic law for governing the state fades with the adoption of new amendments. Too frequently amendments are drafted for a specific situation rather than setting a guiding principle and leaving the Legislature to fill in the details by statute. In

VOTER CHECKLIST

November 5, 2002 Ballot

	For	Against	Proposed Amendment	See Page
No. 1	☐	☐	Legislative Sessions	3
No. 2	☐	☐	Income/Sales Tax Swap	4
No. 3	☐	☐	Budget Adjustments	11
No. 4	☐	☐	Removal of Public Employees	14
No. 5	☐	☐	Retirement Communities Tax Break	15
No. 6	☐	☐	Supplemental Pay	16
No. 7	☐	☐	One-time Filing for Senior Tax Break	17
No. 8	☐	☐	Higher Education Investments	18
No. 9	☐	☐	Medicaid Trust Fund Investment	20
No. 10	☐	☐	Groundwater Conservation	21
No. 11	☐	☐	Offshore Drilling Rigs Tax Break	22
No. 12	☐	☐	Livingston Parish Coroner	22

some cases very rigid principles are set, but numerous exceptions are then added by amendment. Occasionally, the Legislature approves amendment proposals hurriedly without considering all of the potential costs or ramifications. In addition, special interests and the general public frequently demand constitutional protection for favored provisions to avoid legislative interference. Programs without constitutional protection like healthcare, higher education and social services frequently receive a disproportionate share of budget cuts because the Legislature cannot touch other "uncuttable" programs. Each of these problems with Louisiana's amendment practice can be demonstrated with examples from the current proposals:

- Two proposed amendments would add to a lengthening list of exemptions from the broad constitutional prohibition against the purchase of stock. Instead of providing a way for the Legislature to grant reasonable exceptions, the proposals would individually exempt very specific types of investment funds, thus inviting future exemptions for other types of funds. Also the amendments propose different caps on the amount that may be invested in stock rather than stating a general policy.

- Two other amendments provide very different approaches to the budget process. In Act 1234, supplemental pay for municipal law enforcement and fire protection personnel would be practically "uncuttable." In stark contrast, Act 1236 would provide greater budget flexibility by allowing cuts to "uncuttable" funds. Act 1234 decreases flexibility while Act 1236 expands it.

- In another case, a proposal would change the qualifications for coroner designed to protect a specific incumbent in a specific parish.

Due to the Legislature's willingness to tamper with the constitution, voters are increasingly being required to decide issues that are highly complex, specialized, applicable to a single place or time, extremely minor or, in some cases, purely symbolic.

While the idea of seeking voter approval for a wide range of policy issues may appear democratic, the practice is less encouraging. Voter participation is often quite low. But even when there is a high turnout, many of those voting for candidates fail to vote on proposed amendments. Over the last 20 years, the percent of registered voters who have voted on proposed amendments has ranged from a low of 18.1% to a high of 55.7%. Thus, a proposal has never needed more than the votes of 28 percent of the registered voters, and as little as nine percent, to amend the constitution.

Regardless of the number or length of amendments on the ballot, voters must carefully evaluate each proposal individually and make a decision based on its merits. One important consideration should always be whether or not the proposed language belongs in the constitution.

PAR has suggested in the past that it might be useful to begin looking at ways to improve the process of proposing amendments. A number of states make amendments a much more difficult and thoughtful process. Some, for example, require legislative approval in two separate sessions before placing a proposal on the ballot. This allows extra time for study and debate.

A comprehensive review of the constitution may also now be in order, particularly since the last overhaul occurred nearly thirty years ago. However, unless the state is ready to accept the concept of a constitution as fundamental law and place greater trust and responsibility in the Legislature to deal with the details of government, the proliferation of law by amendment is likely to continue.

Constitution vs. Statute

A *constitution* is the fundamental law of the state and as such contains the essential elements of government organization and structure, the basic principles concerning governmental powers and the rights of citizens. A constitution is meant to have permanence. *Statutory law*, on the other hand, provides the details of government that are subject to frequent change.

Process

The process of amending the constitution is more difficult than passing or amending a statute. In general, a *proposed statute* requires only a majority vote in each house of the Legislature and the governor's signature to become law. A *constitutional amendment* requires a two-thirds vote of the members in each house (the governor's approval is not required) and approval by a majority of those voting on the issue at a statewide election. An amendment affecting five or fewer parishes or municipalities requires voter approval in each affected area and statewide. A proposed constitutional amendment often has companion statutory legislation that provides more detail but becomes effective only upon adoption of the amendment.

1 Legislative Sessions

Current Situation: The constitution specifies when the Legislature can convene, limits what it can consider and sets procedural deadlines. The 1974 constitution initially required annual general sessions, thus ending the use of biennial fiscal-only sessions that had begun in 1954. However, a 1993 constitutional amendment reinstituted fiscal sessions in even-numbered years. Only taxes, bonds and appropriations may be considered during these shorter sessions (30 legislative days in 45 calendar days).

In odd-numbered years, the Legislature convenes in longer, general sessions (60 legislative days in 85 calendar days) which may consider any subject matter except bills to raise taxes; adopt new taxes; or change tax exemptions, exclusions, deductions or credits. Because fees and revenue dedications were not specifically listed as possible fiscal-session issues, they can only be considered in general sessions.

Complaints regarding the current system of "fiscal-only" sessions include the following:

- Fiscal-only sessions in even-numbered years prevent a governor and legislators from introducing bills dealing with their campaign issues in the first year of their terms.
- The fiscal-only format often requires special sessions in which the governor controls the agenda.
- Special sessions in fiscal-only years become loaded with special and local bills.
- Fiscal-only sessions are highly inefficient, with legislators and staff being overworked one year and underutilized in the next.
- Fiscal-only sessions have not produced the in-depth analysis of spending programs that was hoped for.

In 1999, the voters rejected a proposal to revamp the "fiscal-only" sessions by adding 15 days and allowing each legislator to introduce five non-fiscal bills and an unlimited number of local and special bills. However, the proposal kept fiscal sessions in even-numbered years and included two controversial provisions. One would have allowed the Legislature to change the session length and starting date. The other would have allowed tax exemptions to be considered in general as well as fiscal sessions.

Proposed Change: The amendment would move fiscal sessions from even-numbered years to odd-numbered years; lengthen the fiscal session to 45 legislative days in 60 calendar days; allow each legislator to pre-file five bills outside the fiscal subject matter restrictions; and remove the fiscal-only limit on local and special bills. It would specifically allow fees and revenue dedications to be considered in fiscal sessions and slightly change certain deadlines for bill pre-filing, filing and final passage for both general and fiscal sessions.

Comment: There are three predominant views regarding fiscal sessions: some like the current system, some prefer returning to annual general sessions, and others believe the current system could be improved.

Some feel that the current system of fiscal sessions is working well. Many administrative officials, legislators, legislative staff and lobbyists appreciate the biennial respite from a full-blown general session. They suggest that the fiscal session has allowed lawmakers to concentrate on budget and fiscal issues every other year and has reduced some of the "horse-trading" that might occur if other subject matter was being considered. Supporters of the status quo note that fiscal sessions have resulted in fewer bills, fewer laws and fewer work days for lawmakers, while avoiding the need for more frequent special sessions. They also suggest that swapping years for fiscal sessions would put a tax session in an election year–realistically limiting any serious discussion of taxes to one session each term.

You Decide

☐ A vote ***for*** would move fiscal sessions from even- to odd-numbered years, allow legislators to each introduce five non-fiscal bills and unlimited special and local bills in a fiscal session, and add 15 days to the fiscal session.

☐ A vote ***against*** would continue the present system of fiscal-only sessions in even-numbered years.

At the other end of the spectrum is the view that fiscal sessions have been a failure and the state should return to general sessions. The original idea was that subject-matter committees would use the fiscal sessions to closely scrutinize the budget submissions and performance of state agencies in their areas of oversight. However, little in-depth program analysis by subject matter committees has occurred. Instead, the Legislature generally waits for the budget committees to finish their work and then debates the entire budget in open session. Because the money bills must begin in House committees, the Senate often is in recess awaiting House action.

Supporters of this proposed amendment suggest that most of the current objections to the fiscal session could be removed by switching them to odd-numbered years and opening the session to some non-fiscal bills. This would satisfy legislators who wish to begin pursuing platform issues in the first year of their terms.

Allowing five non-fiscal bills per legislator would add a maximum of 720 bills to the fiscal session workload. Allowing unlimited, non-fiscal special and local bills would further add to the number. However, proponents argue the 15 extra days would be sufficient to handle the added workload. The subject matter bills would give legislators something to do while waiting for committees to report the money bills.

Allowing non-fiscal bills in fiscal sessions would also help avoid the occasional need for special sessions prior to fiscal sessions to handle pressing issues. This would reduce the governor's control over legislation in those years when he can set the agenda of special sessions. Adding non-fiscal bills to fiscal sessions might also help to level out the workload for legislative staff by reducing the pressure on the general sessions.

TABLE 1
Legislative Bill Statistics

Year	Total House and Senate Bills Filed	Number of Special Sessions
1988	3,024 (2,957 Regular Session)	2
1989	2,844 (2,669 Regular Session)	2
1990	3,294	0
1991	3,196 (3,138 Regular Session)	3
1992	3,389	0
1993	3,412 (3,234 Regular Session)	1
1994	1,171 (531 Fiscal-only Session)	4
1995	3,883	0
1996	760 (313 Fiscal-only Session)	1
1997	4,087	0
1998	819 (440 Fiscal-only Session)	1
1999	3,397	0
2000	814 (422 Fiscal-only Session)	2
2001	3,240 (3,185 Regular Session)	2
2002	651 (355 Fiscal-only Session)	1

As shown in Table 1, the enactment of fiscal-only sessions reduced the number of bills filed in even-numbered years from more than 3,000 to about 400. Amendment proponents argue that even with 720 more bills in the fiscal sessions, the total number of bills in those years would still be less than half what it once was. However, it is difficult to estimate how much additional legislation would be generated by changing the limit on special and local bills.

The amendment would allow fees and revenue dedications to be considered in fiscal sessions. Currently, taxes may only be considered in fiscal session and fees and dedications in general sessions. Proponents suggest the Legislature should be able to debate fees (a revenue source of growing importance) and revenue dedications along with other potential revenue sources when deciding how to pay for certain services.

If this amendment is adopted, back-to-back general sessions will be held in 2003 and 2004. To make any tax changes before the 2005 fiscal session, such as renewal of temporary taxes set to expire in 2004, a special session would be required.

Legal Citation: Act 1231 (Senator Hines) of the 2001 Regular Session, amending Article III, Section 2 (A).

#2 Income/Sales Tax Swap

(NOTE: For an in-depth analysis of this amendment, see PAR Analysis No. 305 entitled "The 'Stelly Plan': A Proposed Income/Sales Tax Swap.")

Current Situation: Beginning in the mid-1980s, a series of studies and reform efforts developed a fairly consistent set of recommendations for tax reform. PAR and others have continued to recommend that the state and local tax structures be simultaneously redesigned on a revenue neutral basis to enhance equity, balance, economic development and revenue growth. The suggested comprehensive reform package included an upward revision in the personal and corporate income tax, reduction in the state sales tax and corporate franchise tax, phasing out or reduction of the homestead and industrial tax exemptions and exemption of manufacturing machinery and equipment from the sales tax.

You Decide

☐ A vote ***for*** would permanently exempt food for home use, residential utilities (natural gas, electricity and water) and prescription drugs from the state sales tax; change the income tax brackets to lower the tax on lower incomes and raise the tax on higher incomes; and eliminate the income tax deduction for excess federal itemized deductions.

☐ A vote ***against*** would leave the income tax unchanged and permit continued temporary taxation of food and utilities.

Major efforts to achieve comprehensive tax reform failed in 1989 and 1992 leaving some to believe that only a piecemeal approach might be successful. At the 2000 election, the voters defeated a proposed package of two constitutional amendments, referred to as the "Stelly Plan." This limited tax reform proposal was to remove all of the temporary state sales taxes and replace the revenue with an income tax increase. However, the plan also would have raised more than $200 million in additional taxes to fund teacher raises.

An objective of tax reform has been to create a better balance among the major taxes and bring Louisiana closer to national norms. A recent national family tax burden comparison shows how different Louisiana is from other states. Table 2 demonstrates the state's overuse of the sales tax, compared to the U.S. average, and the state's relative underuse of the income tax. The tax imbalance is as obvious at the individual taxpayer level as it is when looking at the make up of total state/local tax collections.

Beginning in 1986, the state has relied heavily on temporary taxes–primarily sales taxes on food, utilities and other items. These taxes not only add to the tax imbalance, they create serious budgeting problems every other year as temporary taxes expire.

The new "Stelly Plan," named for its primary author Representative Vic Stelly, is the author's second effort to address the basic imbalance in the state's tax structure. The proposal would swap an increase in personal income taxes for a decrease in state sales taxes. The temporary state sales tax on food and residential utilities would be permanently eliminated and the lost revenue replaced by increasing the income tax on higher incomes.

Proposed Change: The proposed amendment and companion legislation would make the following specific changes:

- **The state would be constitutionally prohibited from taxing the purchase of food for use in the home; residential natural gas, electricity and water; and prescription drugs.**

While food and utilities are currently taxed, prescription drugs are not. The prohibition would not apply to utilities purchased by businesses, which would remain subject to temporary taxes.

- **The temporary sales tax on food and utilities would drop from 3.9% to 2% for the first six months of calendar 2003 and then be eliminated beginning July 1, 2003.**

The first full fiscal year under the proposal would run from July 1, 2003 to June 30, 2004; however, the proposed income tax increase would apply to the calendar 2003 tax year. The six-month reduction in the sales tax would offset the additional income taxes that would be collected during that period.

- **The individual income tax brackets would be constitutionally revised as follows:**

Income Tax Rate	2% of Taxable Income	4% of Taxable Income	6% of Taxable Income
Single Filer:			
Current	Up to $10,000	$10,000 to $50,000	Over $50,000
Proposed	Up to $12,500	$12,500 to $25,000	Over $25,000
Joint Filer:			
Current	Up to $20,000	$20,000 to $100,000	Over $100,000
Proposed	Up to $25,000	$25,000 to $50,000	Over $50,000

By compressing the existing tax brackets, the proposal would lower the taxes paid on lower incomes and raise the taxes paid at higher income levels.

- **The statutory income tax deduction for excess federal itemized deductions would be statutorily eliminated.**

This would remove a tax benefit currently provided to the 21% of taxpayers who itemize deductions for federal income tax purposes. The existing constitutional deduction for federal taxes paid would not be affected.

Impact Analysis of the "Stelly Plan"

The "Stelly Plan" tax impact on individual taxpayers varies by the type of filer; their level of income; whether they itemize their federal deductions; the size of their deductions; the number of dependents and exemptions; their propensity to eat at home; and their use of natural gas, electricity and water. PAR has calculated the first-year tax impact for a wide range of specific scenarios. These include three filer types: single; married, filing jointly (no dependents or two dependents); and head of household with two dependents. The single and married tax impacts are calculated with and without itemized deductions.

Itemizers and Non-Itemizers

The "Stelly Plan" would eliminate the deduction for excess federal itemized deductions for the 2003 income tax year. This would remove the tax break that itemizers currently receive in figuring their Louisiana income tax.

Only about one-fifth of all Louisiana income tax payers itemize their personal deductions (e.g. medical costs, mortgage interest, state and local taxes, charitable contributions, etc.) on their federal income tax returns. The remainder take the standard deduction. In calculating his Louisiana income tax, the itemizer is allowed to deduct from his taxable income the amount by which his federal itemized deductions exceed the federal standard deduction. However, for 2000 and 2001, this deduction was temporarily reduced to 50% of the excess itemized deductions, thus raising the Louisiana tax paid by itemizers by $90 million. The 2002 legislative session partially

TABLE 2
Louisiana Family Tax Burden, by Source, as a Percent of the U.S. Average

Income Level	Income Taxes	Property Taxes	Sales Taxes	Auto Taxes	Total	Louisiana Rank
$ 25,000	95%	0%	129%	74%	71%	43
$ 50,000	75%	45%	130%	64%	78%	41
$ 75,000	67%	69%	131%	82%	85%	40
$100,000	61%	78%	131%	74%	85%	39
$150,000	60%	88%	117%	73%	85%	39

NOTE: U.S. average is based on number of states where tax is levied.
SOURCE: Government of the District of Columbia, "Tax Rates and Tax Burdens in the District of Columbia–A Nationwide Comparison," August 2001.

restored the deduction for 2002 and 2003 by raising the percentage that could be deducted to 57.5% and 65%, respectively. Left alone, the deduction would return to 100% in 2004.

The most likely to itemize are the married, filing jointly taxpayers. Yet, even in this group, only one-third itemize and those typically have incomes of $65,000 or more. The amount of excess deductions rises with income and typically becomes an increasing share of the taxpayer's adjusted gross income (AGI) as his income rises. (AGI is the adjusted gross income reported for federal income tax purposes.)

PAR has chosen to compare the plan result to the tax with a 65% deduction for excess deductions, which would be the situation in 2003 when the plan would take effect. If the plan is not approved, the 100% deduction would be operative the following year (2004), but the lesser deduction could be renewed if another temporary tax fix was needed that year. Thus it does not seem fair to make the "Stelly Plan" responsible for the whole increase.

The higher income itemizer would see a far greater state tax increase due to the "Stelly Plan" than would a non-itemizer with the same income. However, this does not necessarily mean the itemizer would pay more than the non-itemizer, he would simply be losing the advantage he previously enjoyed over the non-itemizer.

A Sample Tax Impact Scenario

Table 3 shows the PAR calculation of the "Stelly Plan" impact on one of the seven taxpayer scenarios–a married couple with two dependents, filing jointly, with excess itemized deductions included at appropriate levels for incomes of $60,000 and above.

This example illustrates how the income tax change, sales tax savings and federal income tax savings combine to produce a net tax savings or increase. In this case, the "break-even" point, where there is neither a tax increase nor savings, occurs at about the $75,000 AGI level. Most taxpayers with AGI below the break-even point would enjoy a net tax benefit while those above that point would see an increase.

The bracket changes in the "Stelly Plan" would limit income tax increase for a married joint filer without excess itemized deduction to a maximum of $900. After deducting the sales tax savings, the non-itemizer's net increase would be somewhere below $900 regardless of how high his income rose.

The itemizer, as shown in Table 3, would tend to have a net tax increase that would continue rising with his income. This assumes that itemized deductions rise as a percentage of income at least for the incomes shown. Again, the itemizer would not end up paying more than the non-itemizer, he would simply be losing the benefit he currently enjoys.

The tax increase shown for the high income itemizers (at $500,000 and $1,000,000 AGI) would equal less than one-half of one percent of the taxpayer's AGI.

Seven Scenarios Compared

Table 4 shows the net tax changes under the "Stelly Plan" for the seven selected taxpayer situations at different income levels.

There has been a great deal of interest in determining the break-even point of the "Stelly Plan." Table 3 indicates the approximate break-even points for the different taxpayer

TABLE 3
Sample Calculations of the Impact of the "Stelly Plan"
(Married, Filing Jointly, Two Dependents, With Itemized Deductions)

	Adjusted Gross Income (As Reported on Federal Tax Returns)								
	$10,000	$25,000	$50,000	$75,000	$100,000	$150,000	$200,000	$500,000	$1,000,000
Excess Itemized Deductions	0	0	0	4,000	11,000	22,000	33,000	74,000	174,000
2003 Louisiana Income Tax									
Current (From Tax Table)	0	355	1,225	1,995	2,595	4,135	6,013	16,835	30,717
Stelly Plan	0	270	1,123	2,356	3,532	5,900	8,207	20,628	38,410
Increase or (Decrease)	$0	-$85	-$102	$361	$937	$1,765	$2,194	$3,793	$7,693
Sales Tax Savings	-185	-206	-252	-267	-287	-314	-328	-328	-328
Federal Income Tax Savings	0	0	0	-97	-253	-530	-658	-1464	-2,969
Net Tax Change	**-$185**	**-$291**	**-$354**	**-$3**	**$397**	**$921**	**$1,208**	**$2,001**	**$4,396**
	Assumed Monthly Expenditures for Food and Utilities								
Food at Home	$268	$292	$375	$389	$414	$442	$458	$458	$458
Utilities	118	136	150	168	183	213	225	225	225
Total Food and Utilities	$386	$428	$525	$557	$597	$655	$683	$683	$683

scenarios and the estimated percentage of taxpayers in each category with incomes below the break-even points.

The "Stelly Plan" would leave unchanged or lower the taxes of 87% of the single filers, 92% of heads of households and 74% or more of those married, filing jointly. The reciprocal percentages would experience tax increases.

The number of returns below the break-even points represents nearly 3.1 million people. These, together with the nearly 700,000 who are not reflected in the income tax returns, comprise 84% of the state's population. About 16% of the state's population would be in households that could expect some net tax increase under the plan.

Pros and Cons of the "Stelly Plan"

The following is a list of pro and con arguments that have arisen during the debates over the "Stelly Plan." These are not PAR's arguments but those raised by the active proponents and opponents. In each case, PAR has provided a comment based on its own research and analysis.

Proponents' Arguments For the Plan

1. Provides a tax cut for the overwhelming majority of taxpayers.

While there has been some confusion over the numbers, all of the estimates agree that the great majority of taxpayers would experience net tax savings from the "Stelly Plan." PAR's analysis indicates that about 84% of the population live in households that would benefit from the plan. Only about 16%, in higher income households, would experience a net tax increase.

2. Takes a first step toward "tax reform."

The plan is not a comprehensive restructuring of the state/local tax structure nor is it identical to some of the more deeply entrenched reform proposals of the state's public finance experts and study groups. Those earlier proposals stressed a broad-based sales tax (including food and utilities) with a lower overall rate. They also proposed a broader income tax base (cutting deductions for federal taxes paid and for excess federal itemized deductions), phasing out the standard deduction/personal exemption as income rises and applying a flat rate. Still, the plan does take a first step toward achieving several of the general goals of tax reform–improving the balance of revenue sources, increasing equity and providing growth over time.

Failure of this proposal could be the death knell for future tax reform. Tax reform opponents could argue that the people had spoken on the issue. Likewise, passage could signal voter interest in reform.

3. Eliminates most, but not all, of the temporary taxes.

In 2002, $593 million in temporary taxes came up for renewal. Currently, about $397 million in temporary taxes are scheduled to expire in 2004. The "Stelly Plan" would bring this number down to about $157 million.

TABLE 4
Net Tax Change–Seven Scenarios

Taxpayer	Adjusted Gross Income (As Reported On Federal Tax Returns)										Approximate Break-even Point	Percent Paying Same or Less Taxes
	$10,000	$15,000	$25,000	$30,000	$40,000	$50,000	$60,000	$75,000	$100,000	$150,000	$200,000	
Single Filer												
No dependents, no itemization	-$93	-$148	-$153	-$112	$35	$194	$311	$330	$ 327	$ 321	$ 313	$37,500 88%
No dependents, itemization	-93	-148	-153	-112	59	249	446	776	1,496	1,276	1,504	36,500 87
Head of Household												
Two dependents, no itemization	-162	-196	-227	-156	4	163	254	243	216	179	163	40,000 92
Married, Filing Jointly												
No dependents, no itemization	-140	-154	-249	-273	-283	-294	-217	-2	352	687	677	75,000 76
No dependents, itemization	-140	-154	-249	-273	-283	-294	-189	36	447	957	1,306	72,500 74
Two dependents, no itemization	-185	-188	-291	-304	-336	-362	-266	-44	302	592	579	78,000 78
Two dependents, itemization	-185	-188	-291	-304	-336	-362	-240	-3	397	921	1,208	75,000 76

NOTES:
Net tax change includes sales tax savings, change in state income tax and, where applicable, federal income tax savings.
Itemizing begins at $40,000 income for single filers and $60,000 for married, filing jointly.

Fewer temporary taxes would greatly improve the budget process, possibly reduce the "horse trading" of projects for tax renewal votes, save program recipients from having to come begging to have their cuts restored and make a positive impression on bond raters, who might be more inclined to upgrade the state's terrible bond rating.

4. The plan is essentially revenue neutral.

Unlike the earlier Stelly proposal, this plan is as close to revenue neutral in the first year as one might hope to achieve. A net increase of only $4 million is estimated for the first full fiscal year–2003-04. Over time, a very modest revenue growth is expected–about $15 million to $18 million in additional money annually for the next few years.

5. Reduces the regressivity of the sales tax to benefit lower income families.

As a whole, the sales tax is regressive because lower income persons spend more of their income on taxable items. The poor clearly spend more of their income for food for home use and residential utilities than do the wealthy. The savings–roughly $200 or less for a lower income family of four–while substantive, would be parceled out over a year's purchases and could go unnoticed by many recipients.

6. A modest shift from the slow-growing sales tax to the more growth-oriented income tax.

Louisiana's tax structure is overly dependent on sales taxes, while income and property taxes have been relatively underused. The state sales tax on food and utilities is only growing at an annual rate of 1.8%. A greater reliance on the income tax, with its 7.5% growth rate, would help overall revenue growth to better keep pace with the economy.

A more growth-oriented tax structure can help avoid the pressure for new taxes, give businesses more stable expectations and perhaps reduce the need for special sessions of the Legislature. However, the "Stelly Plan" effect would be relatively small. It would shift less than $250 million from a $2.7 billion revenue source to a $2 billion revenue source. This would have a positive, if slight, impact on the overall revenue growth rate. However, the sales tax would retain its dominant role in the state's tax structure.

7. The increase in taxes for the wealthier taxpayers would be relatively small.

For non-itemizing married, joint filers with two dependents, the added tax burden would top out at less than $600 (0.4%) at $150,000 AGI, and the amount would remain about the same for higher incomes. The same taxpayer with typical itemized deductions would pay an added $920 (0.6%) at $150,000 AGI. The added tax would continue to rise with the itemizer's income but would decline as a percent of AGI (e.g. a $4,400 increase–0.44%–at $1,000,000 AGI).

At most, a non-itemizing single filer might pay net additional taxes of $330 or 0.4% of a $75,000 adjusted gross income. The single filer who itemizes might pay about $1,500 more, or 1.5% on $100,000 AGI. In either case, only a very small percentage of single filers would be affected by these top effective rates.

8. The federal government would pick up a sizeable share of the income tax increase.

State income taxes are deductible for federal income taxes while sales taxes are not. Thus, an increase in one's state income tax would be partly offset by a decrease in his federal tax. This would be true only for taxpayers who itemize their deductions; however, those affected most by the "Stelly Plan" would also be those most likely to itemize. Roughly one-third of the itemizer's state income tax increase and perhaps as much as one-third ($80 million) of total income tax increase would be passed on to the federal government under the "Stelly Plan."

Opponents' Arguments Against the Plan

1. It is not comprehensive tax reform and would have a relatively small impact.

The plan ignores business tax issues and fails to address the property tax and local funding problems. It would take a relatively small step toward tax reform, and there is no indication of how or when subsequent steps might be taken. While it would be the first reform in a tax structure that has resisted change for decades, it is possible that adopting the more palatable parts of tax reform might postpone action on the more contentious elements indefinitely.

2. The problem of temporary taxes would remain.

The plan would not affect $193.6 million in temporary taxes (on business utilities, auto rentals, tobacco and the suspended education tax credit) now on the books. Of this amount, $157.2 million is set to expire in 2004 creating a budgeting shortfall that year.

The proposal would not prevent the addition of other temporary taxes in the future, although it protects the traditional "go to" sources of food and residential utilities. There is no guarantee that the state's bond rating would be upgraded, although passage would certainly be viewed favorably by the rating agencies.

While the pressure to trade projects for tax votes might be reduced, it is unlikely that the custom of "horse trading" for votes will ever disappear.

3. Increasing the growth of state revenues would help further expand a dysfunctional state government that is already growing too fast.

The added growth potential from the "Stelly" swap is estimated at $15 million to $18 million a year–less than three-tenths of one percent of the general fund taxes, licenses and fees and about one-tenth of one percent of total state spending. While this would hardly be the impetus for expanded spending, some would object that it does nothing to force state government to economize and modernize its service delivery systems.

Others who see major deficiencies in teacher pay, support for higher education, highways, coastal restoration and a host of other programs would find the expected revenue growth severely insufficient to address the state's unmet needs.

4. The sales tax is preferable to an increased income tax.

Polls have long shown a public preference for the sales tax over other forms of taxation. The tax is easy to collect and administer; it is relatively painless (being collected a little at a time); and, most importantly to many supporters, "everyone" pays it. "Everyone" means the poor, who, some argue, benefit disproportionately from public services and assistance and yet do not pay an income tax.

The "Stelly Plan," it is argued, is styled on the "Robin Hood" approach which takes from the rich to give to the poor. Of course this argument assumes that the current distribution of tax burdens is fair and appropriate. What is "fair" is often a matter of political philosophy. However, two criteria are commonly used to measure equity–the "benefit" principle and the "ability to pay" principle. The income tax relates well to the ability to pay principle, but the sales tax is neither related to benefits received nor ability to pay.

It has been further suggested that the plan would not help the poor much because food stamps are already exempt from the sales tax. This ignores the fact that, while a half-million Louisianians receive food stamps, about two million Louisianians live in households with incomes under $15,000.

Finally, if the "Stelly Plan" passes, the sales tax would still remain, by far, the state's largest revenue source and lower income households would still be paying a disproportionately large share of their incomes in sales taxes.

5. The middle class would be clobbered by the income tax increase. Businesses, young affluent families and retirees would be driven from the state.

While most people consider themselves "middle-class," the term has little meaning. In Louisiana, an income of $75,000 (AGI) places one among the wealthiest 10% of all tax filers. The fact is that even a family with a $75,000-a-year income would be basically unaffected by the "Stelly Plan." The question then is whether a family with a $100,000-a-year income would pick up stakes to avoid a $300-$450 tax increase. Likewise, would a person making $500,000 a year move his business to another state to avoid an added tax of $2,000? While young, educated people are leaving the state to seek jobs elsewhere, it is illogical to believe that they are leaving high paying jobs to do so.

As for retirees, Louisiana is presently considered to have one of the most retiree-friendly tax systems in the country. The income tax already exempts social security benefits, federal retirement benefits, Louisiana public employee retirement benefits and U.S. government interest; and provides a $6,000 exemption for other retirement or disability income. The "Stelly Plan" would make Louisiana a bit more costly for very wealthy retirees; however, the great majority of retirees would likely benefit from the proposed tax changes.

6. The numbers used to support the plan cannot be trusted.

Some opponents of the plan have made a major point of the fact that the impact estimates used to explain the plan as it passed the Legislature have been updated and revised. The earlier estimates were simplistic and slightly overstated the percentage of taxpayers that would be positively affected. Subsequent revisions and refinements, including those by PAR, have changed the numbers very modestly. All of the data tends to agree that the vast majority of taxpayers would experience a net tax savings under the plan.

7. Reduces the state's budget flexibility in times of fiscal crisis.

Much of the Legislature's taxing authority has already been limited by the constitution. Some question whether it would be fiscally healthy to create further constraints by constitutionally protecting food and residential utilities from taxation.

The state has continually managed to find a funding crisis requiring a "temporary" use of the revenue for the past 18 years. Taking $240 million in potential revenue off the table could force the state to either cut spending or consider permanent increases in other taxes to meet spending needs. However, the plan would not prevent the creative use of other "temporary" taxes.

8. Local governments would take advantage of the state tax reduction to increase their own taxes.

Some have suggested that local governments would reinstate the taxes eliminated by the "Stelly Plan." Others have suggested they might simply raise sales taxes to make up the difference. Neither argument is very realistic.

Local taxing bodies could not simply levy a local tax on food and utilities. They already tax food and the Legislature would have to repeal the local utility exemption statewide–an unlikely event after the people had voted a state exemption for the same purchases in the "Stelly Plan."

Of course, a local taxing body can always seek an increase in its general sales tax at any time and might argue the tax is a replacement for the state's sales tax reduction. However, local taxes have reached the legal limit in most urban areas of the state and special legislative approval is required for a taxing body to exceed it. While this approval has been easily obtained in the past, any increase requires local voter approval, which remains a serious hurdle.

9. Tax provisions should not be imbedded in the constitution and the "Stelly Plan" would add to the problem.

While changing the income tax brackets, the "Stelly Plan" would retain the new brackets in the constitution, by reference. This continues to greatly limit the flexibility of the Legislature in revising the income tax.

The proposal would begin placing in the constitution sales tax exemptions that, in the past, have been enacted by statute. This places new limits on the Legislature's power to tax and possibly opens the door to further amendment. Special interests might begin seeking constitutional protection for their exemptions. For example, residential propane, apparently intended for inclusion in the proposal, was not specifically named. While propane could be excluded from the tax later by statute, some might want another amendment to correct the oversight.

The voter must answer for himself whether the "Stelly Plan" changes in the tax structure are important enough to merit inclusion in the constitution where they might remain for the next 30 years.

Concluding Comment: The comments made above attempt to place the various arguments regarding the "Stelly Plan" in proper perspective and to apply relevant data where possible. There are valid arguments on both sides of the issue and it is the voter's job to decide which of these are most important and most persuasive.

Legal Citation: Act 88 (Representative Stelly) of the 2002 Regular Session, amending Article VII, Section 4(A) and adding Section 2.2. Companion legislation is Act 51 (Representative Stelly) of the 2002 Regular Session.

3 Budget Adjustments

Current Situation: The state's budget includes many areas where spending is mandated by the constitution or state law. Examples include public school spending through the Minimum Foundation Program (MFP), legislators' compensation, and elected officials' salaries among many others.

The budget also includes spending from revenue sources that are dedicated to specific purposes. For example, gasoline and motor fuel taxes are dedicated to and deposited in the Transportation Trust Fund that is used to maintain the state's roads and bridges. When other mandatory spending items (federal mandates, debt service, court orders, etc.) are included, nearly two-thirds of general fund expenditures are non-discretionary. (See Figure 1).

Because such a large portion of the budget is non-discretionary spending, the governor and Legislature have few options to address a budget crisis. Whenever projected spending exceeds expected revenues, the state is forced to cut or limit spending to balance the budget. This can occur in the middle of a fiscal year when cuts are required to avoid a budget deficit, or during the budget process when spending cuts are required to produce a balanced budget for the ensuing fiscal year. Because of constitutional/statutory mandates and protections (including dedicated funds), these cuts are generally restricted to the smaller discretionary portion of the budget, resulting in a disproportionate burden on certain programs.

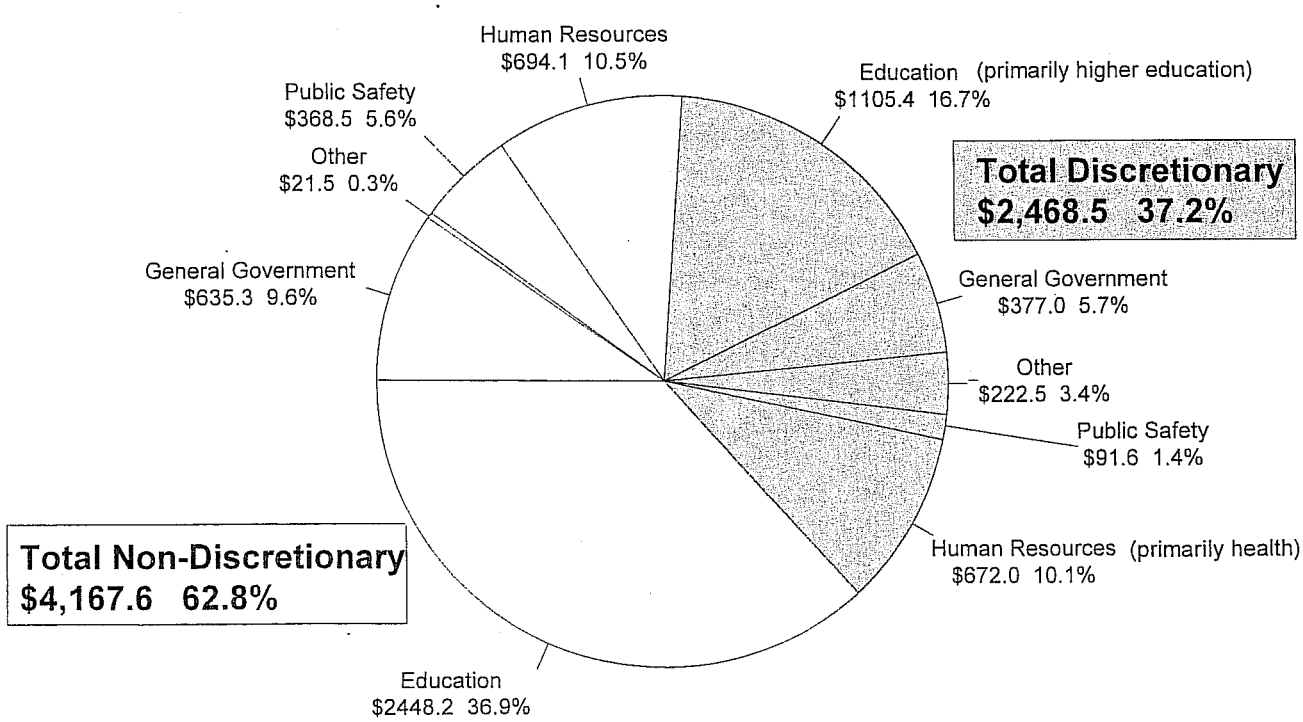
Of the portion that is "cuttable" (discretionary), the majority of funding is assigned to budget units supporting

You Decide

☐ A vote ***for*** would give the governor and Legislature more flexibility in dealing with budget deficits by allowing limited cuts in most constitutionally mandated or protected funds or expenditures.

☐ A vote ***against*** would continue to constitutionally protect many areas of the budget from being cut.

FIGURE 1
Discretionary/Non-Discretionary General Fund Expenditures
Total Recommended for Fiscal Year 2002-03
(In Millions)



SOURCE: State of Louisiana FY 2002-03 Executive Budget.

health and social services agencies, and higher education, which make up approximately 36% and 46% respectively of the discretionary spending items. This generally results in healthcare and higher education funding taking the brunt of any budget cuts, depending on the governor's priorities.

With many health care programs receiving a 3-to-1 federal match, any cuts in this area usually result in significantly larger total program cuts. In higher education where nearly all of the schools are underfunded, according to the Board of Regent's funding formula, past cuts have often come out of the facility maintenance accounts, leaving university facilities in poor condition or reduced spending on libraries, lab upgrades or technology improvements.

State law specifies a process to cut spending (appropriations) during the fiscal year if a budget deficit is projected. This law was changed in 2001 (Act 995) to add a "trigger" that gave the governor more flexibility to make cuts in the **statutory** non-discretionary spending areas. After cutting a portion of the discretionary spending in Executive Department budgets and still not balancing the budget, the governor can cut some areas of spending that are **statutorily** protected if the previous cuts exceed an aggregate amount of at least 0.7% of the total general fund appropriations for the fiscal year. The **constitutionally** mandated or protected areas of the budget, however, remain "uncuttable."

Proposed Change: The proposed amendment would give the governor and Legislature greater flexibility in dealing with budget deficits by granting limited authority to cut allocations or appropriations in constitutionally mandated or protected areas of the state's budget that were previously "uncuttable" (non-discretionary). It would also place the current statutory budget cutting "trigger" in the constitution.

The amendment would limit any such budget cuts to no more than 5% of the total appropriations or allocations for the current fiscal year from any fund except the MFP. The cut for the MFP would be limited to 1% and would not be applicable to instructional activities in the MFP formula.

This amendment would **not** allow any cuts in the following:

- Security and Redemption Fund or any funds pledged for debt security,
- Severance tax and royalty allocations to the parishes,
- State retirement contributions,
- Louisiana Education Quality Trust Fund,
- Millennium Trust Fund (except for appropriations from the trust),
- Any monies exempted by the constitution from being deposited in the state treasury, including:
  - Grants, donations, or other forms of assistance with stipulations concerning their use or receipt,
  - Trade or professional associations' funds,
  - Employment security administration receipts,
  - Retirement system funds,
  - State agency funding from fees and charges for the shipment of goods in international trade and commerce, and
  - Funding pledged to support the issuance of revenue bonds.

The amendment would allow monies to be moved from statutory or constitutionally established funds to other funds to avoid a budget deficit in the next fiscal year. This would be allowed if the official forecast of recurring revenues for the next fiscal year is at least 1% less than the official forecast for the current fiscal year. The total monies transferred from a fund cannot exceed 5% (MFP 1% limit) of the total appropriations or allocations for the fund for the current fiscal year.

The amendment would specifically authorize the Legislature to provide by law the process for dealing with a projected budget deficit, and allow introduction of legislation to modify this process at any general session. In addition, it would require a two-thirds vote of the members of each house to change this law.

Companion legislation would modify the current budget-cutting process and set cutting limits. In addition, this law would prohibit cuts from any fund from exceeding 5% in any two consecutive fiscal years.

Comment: The amendment gives the governor and Legislature more flexibility within reasonable limits to deal with a budget crisis. Specifically, the amendment adds some constitutionally mandated or protected non-discretionary spending to the list of cuttable items and allows monies to be transferred from some constitutionally or statutorily dedicated funds to other areas of the budget during the budget process if a budget deficit exists.

The possible effect of the amendment during a mid-year budget cut is shown in Table 5. Using Fiscal Year 2000-2001 appropriations, the table shows a simulation of the maximum cut each area would receive under current law and the proposed amendment. As noted above, under current law higher education and Department of Health and Hospitals programs would bear the brunt of the cuts (almost 75%). Under the proposed amendment, the cuts would be spread over a larger range of programs, lessening the impact of the reductions on individual programs. Both methods result in a similar cut of over $200 million.

Although the amendment grants greater flexibility in cutting spending in previously untouchable areas, some will likely remain politically difficult to cut.

Expiring temporary taxes may play an even larger role in the budget process under this amendment. In preparing the FY2002-2003 budget, $593 million in temporary revenues set to expire could not be included in the forecast. This caused a drop in the fiscal forecast that exceeded 1% from the previous

TABLE 5
Simulation of Cuts Under Current Law and Proposed Amendment for Appropriations for Fiscal Year 2000-02 (Act 11)

Department, Appropriation, Program	Maximum Cut Under Current Law	% of Total Cut	Maximum Cut Under Proposed Amendment	% of Total Cut
Higher Education	$ 84,962,982	39.2%	$ 46,300,957	21.8%
Department of Health and Hospitals	71,304,273	32.9	43,265,679	20.4
Minimum Foundation Program (MFP)	0	0.0	22,433,376	10.6
Department of Transportation & Development	43,400	0.0	14,372,390	6.8
Capital Outlay	0	0.0	14,154,761	6.7
Other Requirements	7,863,230	3.6	13,375,220	6.3
Executive Department	11,197,932	5.2	7,353,485	3.5
Public Safety Services	0	0.0	5,966,774	2.8
Department of Education	10,450,782	4.8	5,933,193	2.8
Department of Labor	497,078	0.2	5,537,423	2.6
Revenue Sharing	0	0.0	4,500,000	2.1
Department of Social Services	7,109,874	3.3	3,952,875	1.9
Corrections Services	7,613,475	3.5	3,828,701	1.8
Department of Environmental Quality	91,326	0.0	3,803,076	1.8
Special Schools and Commissions	3,835,094	1.8	3,667,071	1.7
Department of Natural Resources	128,293	0.1	2,803,389	1.3
Department of Economic Development	896,274	0.4	2,175,634	1.0
Department Wildlife and Fisheries	0	0.0	1,960,812	0.9
Department of Agriculture	3,253,695	1.5	1,706,847	0.8
Department of Culture, Recreation & Tourism	2,879,202	1.3	1,503,082	0.7
Department of Revenue	1,596,632	0.7	833,862	0.4
Department of Justice	1,139,918	0.5	758,392	0.4
Department of Elections	1,273,989	0.6	636,994	0.3
Other Departments, Appropriations, Programs	813,909	0.4	1,136,296	0.5
Total Cuts	**$216,951,355**	**100.0%**	**$212,576,289**	**100.0%**

SOURCE: House Fiscal Division.

year and would have activated the provisions of this amendment. This would have given access to over $81 million in dedicated funding to use in other areas.

This amendment may allow a new form of budget "gamesmanship" to occur. Instead of listing items as being funded contingent on renewal of expiring taxes, the governor could propose moving funding from the Transportation Trust Fund or MFP to cover the cost of the item and letting the tax expire.

Primary opposition to the amendment will come from supporters of programs that are immune to cuts under current law.

Legal Citation: Act 1236 (Representative Daniel) of the 2001 Regular Session, amending Article VII, Section 10(F). Companion legislation is Act 1063 (Representative Daniel) of the 2001 Regular Session.

4 Removal of Public Employees

Current Situation: The constitution requires a method for removing most elected officials. The law requires the immediate suspension of public officers convicted of a felony. If the conviction stands after all appeals have been exhausted, a suit to remove the public officer is then filed.

There is no constitutional provision regarding the removal of state or local public employees. State agency heads and local authorities determine whether or not to terminate a public employee. Terminated state employees have a right to appeal their termination to the State Civil Service Commission that decides if disciplinary action is necessary and if the punishment imposed is appropriate. Local employees may also appeal to a local civil service board or personnel board. Both state and local employees can appeal to the courts.

A statute removing state public employees convicted of a felony was found unconstitutional, in part, by the Louisiana Supreme Court in 2001. The court held that the Legislature had violated the separation of powers principle by enacting law that usurped the power of the State Civil Service, an executive branch body, to decide removal policy. (The court upheld that part of the law removing unclassified employees as they do not have a protected status.) The court noted that the constitution provides classified employees with special protection.

You Decide

☐ A vote ***for*** would require the termination of a classified or unclassified state or local public employee convicted of a felony during employment after all appeals have been exhausted.

☐ A vote ***against*** would continue to allow the state agency heads discretion in terminating classified employees and continue to allow local discretion in setting termination policies for local employees.

Classified employees may only be subject to disciplinary action "for cause." The State Civil Service Rules define "cause for termination" as "conduct which impairs the efficient or orderly operation of the public service." By equating a felony conviction with mandatory "cause for termination," the Legislature infringed on the authority of the State Civil Service.

Proposed Change: The change requires the removal of a public state or local employee, classified or unclassified, for a felony conviction. The felony conviction must occur during employment and all appeals must be exhausted.

Comment: Proponents of the amendment contend that removal of public employees, convicted of a felony while employed by the government, should be automatic. A felony conviction is evidence of a severe deficiency in the individual's character and ability to make sound judgments. The quality and integrity of the public work force would be undermined if convicted felons have the opportunity to continue working for the government. Without the amendment, a convicted felon can potentially be retained as a public employee.

Opponents argue that removal should be left to the discretion of state or local authorities whose termination decisions are subject to review by a state or local civil service board. Each case should be individually examined to make sure that the felony conviction is an absolute bar to continued employment with the government. Some felony convictions would obviously deserve termination, but some cases may deserve another type of discipline short of removal. The substance of the felony may have no bearing on the person's ability to perform his employment duties. Because the government does not prohibit the hiring of convicted felons, there should be some discretion in the firing of public employees.

Proponents answer that the government has a legitimate reason to require a higher standard of behavior of its current public employees. Prior felony convictions do not have the same negative impact as convictions rendered while the individual is employed by the state or local government. Hiring individuals with felony convictions also serves a legitimate rehabilitation goal. People that have paid their debt to society should not be restricted from seeking public employment.

Opponents think the amendment would make the government vulnerable to a lengthy and expensive lawsuit under the equal protection clause because hiring and firing policies are based on the timing of a person's conviction. The amendment would require an agency to terminate someone who is convicted of a felony during the course of his employment. But the same or another public entity could hire someone convicted of the identical felony as long as the conviction occurred prior to being employed by the government.

Legal Citation: Act 166 (Senator Hainkel) of the First Extraordinary Session of 2002, adding Article X, Section 25.1.

5 Retirement Communities Tax Break

Current Situation: The constitution allows specific groups or activities to receive property tax exemptions. One of these activities is encouraging developers to help preserve or redevelop downtown, historic or economic development areas. A 1982 amendment authorizes the state Board of Commerce and Industry to contract with owners to freeze assessments on structures in those specified areas for five years after improvements have been made. The contracts must be approved by the governor and the affected local governments and must meet conditions set by state law. Commercial property and owner-occupied residences are eligible.

The constitution also exempts property owned by a nonprofit corporation or association organized and operated exclusively for religious, charitable, health, welfare, fraternal or educational purposes and which is exempt from federal or state income taxes. The property of several retirement communities has already been granted or is in the process of being granted a permanent tax exemption under this provision. In addition, a 1990 amendment exempted properties leased to a nonprofit corporation or association for use solely as housing for homeless persons.

Proposed Change: This amendment would authorize the state Board of Commerce and Industry, with the approval of the governor and the affected local governing authorities, to enter into contracts for the exemption of local property taxes with developers of retirement communities as allowed by law.

Companion legislation specifies the requirements for the exemption program. A developer who renovates or constructs houses, condominiums or other residential buildings in a qualified retirement community and sells them to persons over the age of fifty-five would be eligible for a five-year contract exempting the developer from paying local property taxes on the development. The contract could be extended for an additional five years. The law also stipulates that 80% of the sales in the development must be to qualified retirees.

The property tax exemption would only apply to property owned by the developer and would no longer apply when sold to an individual. The exemption granted under this program would apply to amenities built to attract retirees, such as golf courses, clubhouses, etc., and to unsold property.

Comment: The "baby boomers," those born between 1946 and 1964, are part of a generation 76 million strong, with about 1.2 million in Louisiana. This group makes up a disproportionately large share of the national population. In 2008, the first "baby boomers" will hit 62 and begin swelling the retirement numbers for the next 18 years.

Louisiana is actively recruiting retirees to move to the state or remain once they retire. This is deemed important since retirees are seen as a group with significant economic power and fewer demands on government services. In addition, since many retirees do not leave the state in which they retire, the ones who do move are generally the ones with larger retirement incomes who can afford to move and are attracted to areas that cater to their needs.

You Decide

☐ A vote ***for*** would authorize property tax exemptions for up to 10 years for developers of retirement communities.

☐ A vote ***against*** would continue to limit property tax exemptions for retirement communities to those owned by nonprofit organizations or developed within a downtown, historic or economic development area.

Retirement communities are seen as a major tool in attracting more retirees to the state. Proponents claim that offering tax incentives to developers will encourage them to build more of these communities.

Critics note that baby-boom retirees will significantly increase the demand for retirement communities. Thus it is likely that the retirement communities targeted by this amendment would be built even without a tax exemption. As with any incentive program, it is difficult to determine whether the incentive will be needed to convince developers to undertake projects.

The permanent property tax exemption for nonprofit organizations in current law may already provide a useful incentive. Developers of retirement communities can now give ownership of the common areas to a homeowners' association formed as a nonprofit organization to qualify for the permanent exemption. However, unsold lots could still be taxed. This approach would not need approval of local government, the governor or the Board of Commerce and Industry.

It is difficult to determine how local governments will be affected if this amendment is adopted. They would lose some revenues during the five- to ten-year exemption contract, but should regain some of the loss from increases in sales taxes from the new residents. Because the amendment requires approval of the affected local governments, they would have the opportunity to judge the net value of the project to the community.

Legal Citation: Act 89 (Representative Thompson) of the 2002 Regular Session, adding Article VII, section 21 (J). Companion legislation is Act 57 (Representative Thompson) of the 2002 Regular Session.

6 Supplemental Pay

Current Situation: In 1956, the Legislature created a program by statute that gave municipal police officers a state-funded monthly payment to supplement their locally funded pay. Over the years, supplemental pay has been extended to others. The state appropriation has risen from just under a million dollars in 1956 to over $70 million for the 2002-2003 fiscal year. Currently, eligible municipal police officers, constables, marshals, municipal fire fighters and deputy sheriffs receive $300 per month; Justices of the Peace and their constables receive $75 per month.

Although separate review boards determine eligibility of various local employees for state supplemental pay, the state exercises no control over the number of recipients deemed eligible. All personnel certified by employers as eligible receive supplemental pay.

Over the past years, the supplemental pay program received a lower priority for state funding in nine proposed budgets. For fiscal years 1988-89 through 1990-91, the supplemental pay program was not fully funded and participants received a reduced payment. For the other six years, the program's funding was either marked for elimination or made contingent on renewal of taxes or the availability of additional revenues. In each of these last six cases, the Legislature eventually passed a budget that continued the program with full funding.

The placement of supplemental pay in a lower funding priority has sparked severe criticism of the state's budget process. Many claim that the administration is playing games with the budget by placing politically popular programs, such as supplemental pay, in the unfunded portion of the budget to encourage legislative renewal of expiring taxes or approval of new taxes. This results in local police and fire fighters being used as pawns in the budget game.

Generally, state law enforcement officers are not eligible for the supplemental pay program. A 1990 amendment removed the constitutional authority of the Legislature to supplement the pay of state police, Department of Public Safety commissioned officers, and Department of Wildlife and Fisheries enforcement officers. The salaries of these officers was increased to compensate them for the loss of supplemental pay.

In 1999, voters rejected a constitutional amendment that would have given authority to give supplemental pay to law enforcement officers of state agencies who patrol levees, bridges, waterways and riverfronts. Although this amendment failed, companion legislation (not tied to passage of the amendment) was incorporated into the law and authorized supplemental pay for state law enforcement agencies headquartered in municipalities with a population of over 450,000. In effect, this legislation statutorily authorized supplemental pay for Orleans Levee District Police, Port of New Orleans Harbor Police, and Crescent City Connection (bridge) Police.

The Port of Orleans Harbor Police applied for and are receiving supplemental pay under the 1999 legislation. The statute was challenged in state court and found constitutional, and the decision is now on appeal. Of the three groups, only the harbor police are currently receiving supplemental pay.

You Decide

☐ A vote ***for*** would constitutionally mandate a minimum $300 per month state pay supplement to full-time local law enforcement officers and fire fighters.

☐ A vote ***against*** would continue to allow funding cuts to be made in the supplemental pay program.

Proposed Change: The amendment would constitutionally mandate a payment by the state of $300 per month to each full-time municipal police officer, constable, marshal, municipal firefighter and deputy sheriff who qualifies for a salary supplement under the state's supplemental pay program.

Eligible recipients for mandated supplemental pay would be defined by the applicable supplemental pay law in effect on **July 1, 2003**. How much the Legislature would be required to fund would be defined by the applicable supplemental pay law in effect on **July 1, 2001**.

The Legislature and governor are prohibited from reducing or eliminating the appropriation for the protected portion of the supplemental pay program. However, if a mid-year budget crisis occurs, the governor could reduce this appropriation if two-thirds of the Louisiana House of Representatives and Senate agree to the cut in writing.

Under this amendment, the governor would be required to include in the Executive Budget submission a recommendation for funding of state salary supplements.

Comment: Currently, over two-thirds of the state budget is non-discretionary or "uncuttable." This amendment would add supplemental pay to the "uncuttable" portion, making the budget process even more inflexible. Constitutionally mandating full funding of supplemental pay would set it as one of the highest spending priorities without debate or consideration of other funding issues. In addition, the two-thirds legislative approval provision makes supplemental pay virtually "uncuttable" during a mid-year budget crisis.

Proponents argue that the amendment is needed because it:

- removes an element of politics from the budget process and prevents local police and fire fighters from being used as "political footballs" in the budget game.

- provides an element of stability to local government budgeting since they do not have to worry about picking up the state's payment to their local personnel.

- enables local governments to provide a living wage for the state's law enforcement and fire protection professionals.

- provides for more professional police officer and fire-fighting personnel by offering more attractive wages to attract higher caliber candidates.

- assists poorer local jurisdictions in affording the cost of police and fire protection.

Critics argue that, while the supplemental pay program is a political lightning rod, it is also justifiably considered a lower-priority funding item from a state funding perspective and should not be given constitutional protection. It is the responsibility of local governments to determine local pay scales of persons they employ, according to the local government's ability to pay, equity among employees and municipal civil service guidelines. They have the taxing authority, with voter approval, to raise funds locally. If voters are unwilling to pay taxes for their local employees, there is less reason for the state to provide its tax money for this purpose.

Critics also note that the supplemental pay program's structure allows wealthier districts that can afford to hire more employees to get more of the state's money. The program is not based on a "needs" basis but on a general benefit to all eligible participants, regardless of the local government's ability to pay. It does not equalize the pay of law enforcement and fire protection personnel between wealthier and poorer districts.

The amendment uses vague language to define the mandated "full funding" for the program. The amendment ties "full funding" to the supplemental pay law requirements in effect on July 1, 2001. The intent of this requirement, added as a House floor amendment, was to lock in the protected amount of supplemental pay at $300 per month. Under this provision, the Legislature would not be constitutionally required to fund any future increase in the monthly payment. What is unclear is whether this also locks in the other requirements of the law, such as who is included in the protected portion of the supplemental pay program.

The amendment also allows the Legislature to add law enforcement and fire protection personnel to the constitutionally protected portion of the supplemental pay program after the amendment is presented to voters in November. The classes of law enforcement and fire protection personnel covered by the amendment are tied to the supplemental pay law in effect on July 1, 2003. This places voters in a difficult position by asking them to approve an amendment without knowing exactly who would be constitutionally protected. Again, it is unclear whether the Legislature would be required to include funding for any class added after 2001.

If approved, this amendment would probably resolve the supplemental pay issue raised by the Port of New Orleans Harbor Police in state court and now on appeal. The amendment constitutionally mandates payment of supplemental pay to those included in the statutes, thus giving these payments constitutional status. This would continue payments to the harbor police and automatically add Orleans Levee District Police and Crescent City Connection (bridge) Police. Using 1999 data, this would add 161 initially eligible officers with a cost to the state of $579,600 a year.

Besides the above Orleans Parish personnel, there were 813 other similar positions statewide in 1999 that might be included, at a cost exceeding $3.7 million a year. Even if the Legislature does not add additional classes by 2003, there is a possibility that officers denied supplemental pay would sue the state under the equal protection clause of the constitution to receive the same benefit as those performing similar jobs.

It is unclear whether this amendment affects the supplemental pay of $75 per month for Justices of the Peace and their constables. However, some of the state's constables qualify for the $300 monthly payment and would be covered under this amendment.

Legal Citation: Act 1234 (Representative Toomy) of the 2001 Regular Session, amending Article VII, Section 11(A) and adding Article VII, Section 10(D)(3).

One-time Filing for Senior Tax Break

Current Situation: In 1998, voters approved a constitutional amendment that gave a special property tax break for the owner-occupied homes of seniors (age 65 or older) and their surviving spouses (if 55 years of age or older or with minor children). The property tax assessment is frozen at a "special assessment level" which is the assessed value of the property when it first qualifies for the freeze. The assessment remains the same as long as (1) an annual application is filed, (2) the property value does not increase more than 25% due to construction or reconstruction or (3) the property is not sold. The benefit is lost if the applicant's combined adjusted gross income for federal income tax purposes exceeds $50,000, adjusted annually for inflation.

While the eligible homeowner's assessment is frozen, the millage rates applied to that assessment are not. (The tax bill on that assessed value could rise due to new or increased millages.)

Proposed Change: The amendment would remove the annual filing requirement from the senior citizens "special assessment level" program. In addition, it would delete the requirement that a participant's income remain below the maximum limit.

Comment: If this amendment passes, the assessment on property that qualifies under this program will be permanently frozen until title is transferred to someone who does not qualify (sold), or the value of the property increases more than 25% due to construction or reconstruction.

Proponents argue this amendment would remove the administrative burden of annual applications from senior citizens and local tax assessors. Since the vast majority of seniors easily requalify for the program, annual reapplication is unnecessary. The amendment would also save assessors the cost of sending reminder notices or initiating reassessment for those seniors who forget to reapply.

This amendment would only be expanding the current tax break in cases where an applicant's income level exceeds the existing income limit after initially qualifying. Under current requirements, the applicant would lose the assessment freeze and be required to pay any additional property taxes.

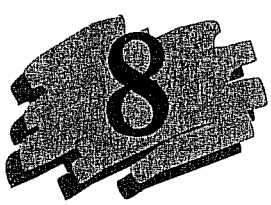
This amendment should not result in a large reduction in local government revenues. Generally, senior citizens are retired and on fixed or declining incomes. Few who qualified initially would be expected to have subsequent income increases that would render them ineligible.

You Decide

☐ A vote ***for*** would allow senior citizens to apply and meet an income eligibility test only once to receive a special property tax assessment.

☐ A vote ***against*** would continue to require annual application and income testing.

Legal Citation: Act 87 (Representative Hebert) of the 2002 Regular Session, amending Article VII, Section 18(G)(1)(a) and (2)(a).



Higher Education Investments

Current Situation: Most Louisiana colleges and universities have endowment funds provided largely by gifts to the institution. The endowment principal is invested and only investment earnings derived from the principal are spent. The constitution prohibits investment of public funds in stocks. (See Box A on page 20.)

The managing board of each higher education system invests endowment funds in accordance with its written investment policy and with the approval of an investment advisory committee composed of the state treasurer, the legislative auditor and the commissioner of administration.

You Decide

☐ A vote ***for*** would allow public colleges and universities to invest up to 50% of endowment or other permanent funds in stocks.

☐ A vote ***against*** would continue to prohibit public colleges and universities from investing in stocks.

Sixteen of twenty states surveyed by PAR reported that their public colleges and universities are allowed to invest public funds in stock. An annual survey by the National Association of College and University Board Officers (NACUBO) showed that the responding 413 private and 198 public institutions invested, on average, nearly 60% of endowment funds in equities in 2001.

Proposed Change: The amendment would authorize higher education institutions or their respective management boards to invest in stocks, up to 50% of the aggregate of funds derived from gifts, grants, funds functioning as endowments, or other permanent funds. The companion legislation provides a statutory cap on stock investment of 35%. Stock investment decisions must undergo the same approval process required of non-equity investments. All proceeds from interest, dividends, realized and unrealized gains may be invested.

Comment: (See Box B on page 20.) Members of the higher education community initiated this amendment to maximize the potential of all funds held by their respective institutions. Earnings from endowment investments are essential to

TABLE 6
Investment Performance Comparison
Equities vs. Fixed Income--Annualized Rates of Return

	1951-2001	1991-2001	1996-2001
Equities S&P 500	12.5%	15.1%	14.5%
Fixed Income Long-Term U.S. Government Securities	6.1%	10.0%	8.9%
Consumer Price Index (CPI)	4.0%	2.8%	2.6%

SOURCE: Louisiana State Treasury.

TABLE 7
Investment Performance Comparison
NACUBO Endowment Fund Study vs. "8(g)" Trust Fund

Total Rate of Return[1]	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
NACUBO Endowment Study Fund[2]	13.3%	13.5%	2.9%	15.4%	16.9%	20.3%	17.9%	11.0%	12.7%	-3.6%	NA
"8(g"' Trust Fund[3]	13.33%	10.98%	-1.54%	11.13%	5.79%	10.5%	11.4%	4.8%	5.0%	4.1%	NA
% of "8(g)" Fund Invested in U.S. Equities	–	–	–	–	5.7%	13.1%	20.6%	21.6%	24.1%	21.8%	16.8%

1. The Total Rate of Return includes actual income earned, realized gains (losses) and unrealized gains (losses) which reflects the market value of all securities held.
2. The 2001 National Association of College and University Board Officers Endowment Study reports data for 611 private and public higher education institutions. Figures show the annual nominal rates of return using the equal weighted mean to give each institution equal weight, regardless of its endowment or investment pool size.
3. The Louisiana Education Quality Trust Fund is better known as the "8(g)" Trust Fund.

SOURCE: Louisiana State Treasury.

higher education institutions because they provide support for financial aid, faculty salaries and other operating costs. Endowed chairs, professorships and fellowships are important assets for attracting top faculty members, which improves the institution's ranking.

The proposed 50% constitutional cap on stock investment would be relatively conservative compared with the investment practices of colleges and universities nationally. NACUBO's 2001 Endowment Study reported private and public institutions investing an average of 59.4% in equities, down from 64.3% in 1999. The higher rate of return reported in the study reflects the greater investment flexibility of participating institutions. The more conservative statutory limit of 35% on stock investment proposed in the companion legislation, however, is consistent with stock investment caps placed on other Louisiana funds.

Legal Citation: Act 1235 (Representative Daniel) of the 2001 Regular Session, amending Article VII, Section 14(B). The companion legislation is Act 1077 (Representative Daniel) of the 2001 Regular Session.

9 Medicaid Trust Fund Investment

Current Situation: The Medicaid Trust Fund for the Elderly, created in 2000, resulted from several windfall payments from the federal government. The fund was established to protect the corpus of the payments and to provide a permanent source of support for healthcare programs for the poor and elderly. Earnings from Medicaid Trust Fund investments are spent on nursing homes, home and community services, and primary care services for the elderly. The state treasurer is required to invest monies deposited in the Medicaid Trust Fund, now totaling $849 million. A full year of investment performance data on the fund is not yet available. (See Box A.)

You Decide

☐ A vote ***for*** would authorize the state to invest up to 35% of the Medicaid Trust Fund for the Elderly in stocks.

☐ A vote ***against*** would continue to prohibit the state from investing this fund in stocks.

BOX A
Current Limits on Investing Public Funds

With a few exceptions, the constitution prohibits the state or a political subdivision from subscribing to or purchasing the stock of a corporation, association or other private enterprise. Some exceptions include the Louisiana Education Quality Trust Fund better known as the "8(g)" Trust Fund, the Marsh Island Refuge Fund, the Rockefeller Wildlife Refuge Trust and Protection Fund and the Millennium Trust Fund. The state treasurer may invest up to 35% of these funds in stocks, however the Legislature can increase this amount to 50% for the Millennium Trust Fund.

In the absence of an exception, public funds may only be invested in low-risk and relatively low-yield investments–specifically U.S. treasuries, U.S. government agencies, repurchase agreements for the preceding, bank certificates of deposit, investment-grade commercial paper and investment-grade corporate notes and bonds.

BOX B
Comment on Investment Strategy

Professional investment advisors strongly recommend including stocks as a significant part of any long-term investment portfolio. A perpetual trust fund can take optimum advantage of a long-term investment strategy. Historically, stocks have outperformed any other type of investment over the long run. (See Table 6.)

A long-term comparative analysis of fixed income investments and stock investments is especially important because of recent events. In late 1995, the state treasurer began to implement a stock investment plan for a portion of the "8(g)" fund. The highest percentage of the fund invested in the stock market has been 24.1%–well within the 35% investment allowance. The rate of return for the "8(g)" fund reached a high of 11.4% in 1998. Performance has declined, however, in the last few years.

The "irrational exuberance" of the tech stock debacle, the aftermath of 9-11, and ensuing corporate meltdowns have caused stock performance to falter dramatically. The "8(g)" trust fund rate of return dropped to 4.8% in 1999, rose slightly in 2000 to 5.0% and fell to 4.1% in 2001. (See Table 7.)

The constitutional prohibition against state ownership of stock was meant to avoid direct state participation in private business, speculation and short-run fluctuations. Short-run fluctuations in investment earnings would be a serious problem for typical idle state fund investments but not for a permanent fund.

Proposed Change: The amendment would authorize the state treasurer to invest in stocks a portion of the Medicaid Trust Fund not to exceed 35% of the aggregate of all such funds. Companion legislation authorizes the state treasurer to engage outside investment managers.

Comment: This amendment would give the state treasurer the same investment authority for the Medicaid Trust Fund that applies to the "8(g)" trust fund, the wildlife trust funds and the Millennium Trust Fund. The potential problems of speculation and involvement in private business would be reduced because the companion legislation authorizes the state treasurer to hire outside, professional investment consultants.

Legal Citation: Act 1232 (Senator Ellington) of the 2001 Regular Session, amending Article VII, Section 14(B). Companion legislation is Act 700 (Senator Schedler) of the 2001 Regular Session.

#10 Groundwater Conservation

Current Situation: Louisiana's four main aquifers supply the groundwater that provides about 16% of the water used for farming, industry and personal use. Nearly one-half of all groundwater used statewide in 2000 was for irrigation. The Chicot Aquifer alone supplied nearly two-thirds of all groundwater used for irrigation, and that amount rose from 314 Mgal/d (million gallons per day) in 1995 to 542 Mgal/d in 2000. During periods of drought these aquifers can be drawn down resulting in salt water intrusion and other problems. The state has created a Groundwater Commission to prepare a water management plan to maintain groundwater as a sustainable resource.

One option for conserving groundwater is to make greater use of the state's vast surface water resources. Other state's have the opposite problem. For example, the state of Georgia has been operating an incentive program paying farmers to substitute groundwater irrigation for surface water.

Louisiana's constitutional prohibition against the loan, pledge or donating of state funds to private persons would bar the state from providing incentives to farmers similar to the Georgia program.

Proposed Change: The amendment would authorize the Legislature to create programs to provide loans, grants or other subsidies to assist farmers who voluntarily forgo irrigating with groundwater during periods of drought and to develop surface water resources for irrigation. The amendment would also create the Drought Protection Trust Fund, a permanent trust fund to receive donations, federal funds or state appropriations.

The companion legislation (Act 1025) limits appropriations from the trust fund to the interest earnings except that the principal may be used when the Commissioner of Agriculture declares a drought or to satisfy an obligation stemming from a contract, grant or donation. Payment to farmers would be limited to those using at least one million gallons of aquifer water per irrigation day for five years. Funds could also be used for surface water development projects not entirely paid for by federal grants.

You Decide

☐ A vote ***for*** would create a Drought Protection Trust Fund and allow payments to farmers for not using groundwater in drought conditions.

☐ A vote ***against*** would continue to prohibit the loan, pledge or donation of public funds to any private person (e.g. farmers).

Comment: Proponents argue that the Georgia experience shows incentives can be effective in altering water use by farmers and could play an important role in Louisiana's groundwater management in the future. The amendment would indirectly exempt payments to farmers for conserving groundwater from the constitutional prohibition against the donation of public funds and would protect the trust fund from being raided by the Legislature.

The author did not contemplate using state money but assumed that farmers or farm-related businesses might donate funds, for example, by self-assessment to match federal grants. A number of potential federal funding sources are connected with drought aid, flood control and other programs.

The proposal is prospective, to provide the mechanism for future programs. Whether funding for the proposed trust fund will materialize is not known and the details of any incentive programs have yet to be developed.

Critics question the need to place a relatively minor fund in the constitution. While statutory funds have been raided in the past, it is not a common occurrence and any dedicated federal funds could not be touched.

Legal Citation: Act 1233 (Senator Malone) of the 2001 Regular Session, adding Article VII, Section 10.11. Companion legislation is Act 1025 (Senator Malone) of the 2001 Regular Session.

11 Offshore Drilling Rigs Tax Break

Current Situation: Drilling rigs permanently or temporarily located within the boundaries of the state are subject to property taxation. Offshore drilling rigs located in federal waters beyond Louisiana's territorial limits cannot be taxed by state or local governments. However, when these rigs are brought into local government jurisdictions for storage or renovation, they may be taxed.

The constitution currently provides a "freeport" property tax exemption for certain goods, commodities, raw materials and other property destined for use outside the United States and also exempts property moving through the state in interstate commerce. These exemptions would apply to certain property in transit to or destined for use on drilling rigs located outside the territorial limits.

You Decide

☐ A vote ***for*** would exempt from local property taxes drilling rigs destined for use outside the state's territorial waters but stored in the state or undergoing conversion, renovation or repair.

☐ A vote ***against*** would continue to allow local governments to tax all drilling rigs within their boundaries.

In the 2002 Regular Session, the Legislature enacted an exemption from state and local sales taxes for repairs and material used therefor, on drilling rigs operated exclusively outside the territorial limits of the state in Outer Continental Shelf (OCS) waters.

Louisiana has more drilling rigs operating off its shores than any of its neighbors. As of September 2002, Louisiana had 104 operational rigs, while the next closest state, Texas, had only 17. At the same time, only one rig was being worked on in a Louisiana shipyard, whereas 13 were in Texas shipyards.

Proposed Change: The amendment would exempt from state and local property taxes any drilling rig destined for use outside the territorial limits of the state that is being stored or stacked within the boundaries of the state or being converted, renovated or repaired. The amendment also specifically exempts any property in the state that is scheduled to be installed on or used in the operation of such drilling rigs.

Comment: Proponents argue that this property tax exemption, together with the sales tax exemption enacted earlier this year, is needed to give Louisiana tax parity with Texas and allow it to compete for rig repair work. They suggest this would help develop a repair industry and boost employment. Storage of rigs would also generate local revenue.

Because Texas does not tax OCS rigs, drilling companies currently must decide whether the cost of towing their rigs past Louisiana to Beaumont or Galveston for renovation is cheaper than paying Louisiana property taxes. One of the many drilling companies in the Gulf of Mexico, Diamond Offshore, reports spending $1.2 billion in the last five years on rig repairs. The company spent $800 million in Texas, $200 million in Mississippi, $100 million in Alabama and only $12 million in Louisiana. Mississippi, like Texas, exempts rigs undergoing conversion.

The proposal would probably have little impact on current local government revenues. Exempting items scheduled to be installed on or used in the operation of OCS drilling would have little impact as these are now covered by the "freeport" exemption. Also, there is little repair work currently being done in the state. While data shows 29 offshore rigs were stored in Louisiana, it is not known whether these are OCS rigs or whether they are currently on the tax roles somewhere.

Critics of expanding property tax exemptions might argue the uncertainty of the effectiveness of tax incentives for economic development. They would note that other factors such as the experience with and capacity of existing repair facilities might continue to affect decisions of companies even after the tax situation was changed.

Legal Citation: Act 86 (Senator Romero) of the 2002 Regular Session, amending Article VII, adding Section 21(J).

12 Livingston Parish Coroner

Current Situation: The constitution provides that each parish elect a coroner who serves a four-year term. The coroner must be a licensed physician, unless no physician will accept the office. The law allows a non-resident physician to run for the office if he maintains a full-time medical practice in the parish. The constitution waives the physician requirement if no qualifying physician runs for the office.

The coroner has a wide range of responsibilities including determining the cause of death, issuing death certificates, and managing organ donation procedures. The coroner examines patients suffering from mental illness or substance abuse

problems for emergency commitments to medical facilities and examines victims of sex crimes for the collection of evidence. Parishes with non-physician coroners must utilize the services of physicians for duties that require a medical doctor. For example, only a physician can conduct an autopsy or physically examine a rape victim.

Most coroners in Louisiana are licensed physicians. In the absence of a qualified medical doctor, eleven parishes, including Livingston, currently have non-physician coroners who are not required by law to have any type of medical certification or training.

Proposed Change: The proposed amendment and the companion legislation would allow an incumbent coroner of Livingston Parish, who is not a physician, to run for re-election, even if a physician qualifies to run for the office.

Comment: The proposal would exempt Livingston Parish from the constitutional ban on non-physicians running for the coroner's office if a physician seeks the job. The present coroner of Livingston Parish is not a physician and wishes to run for another term even if a physician qualifies to run for the office. To take effect, the amendment must be approved by voters in Livingston Parish and the state as a whole.

Opponents of the amendment argue that it would be an egregious use of the constitution to give special benefits to a specific individual. In addition, it would lower the qualifications required for the office. The law gives preference to having a licensed physician serve as coroner because of the specialized medical knowledge and training necessary for many of the coroner's duties.

Livingston Parish currently has 16 licensed physicians and is near parishes with high physician concentrations. Over 20 parishes with the same number or fewer physicians than those serving Livingston Parish have physician coroners. However, should no physician choose to run for the office the law already provides a mechanism for electing a coroner; therefore, no additional changes are needed.

Opponents also point out that many coroners' offices throughout the state struggle to maintain an adequate level of care with little support or funding from local governments. Rather than weaken the preference for physician coroners by lowering the qualifications in one parish, more effort should be devoted to retaining and encouraging physicians to run for the office.

Proponents of the amendment argue that citizens and local officials want the current coroner to be able to run for re-election and that a non-physician coroner can contract the services of a physician when necessary.

Legal Citation: Act 1230 (Senator Fontenot) of the 2001 Regular Session, amending Article V, Section 29. Companion legislation is Act 579 (Representative Erdey) of the 2001 Regular Session.

You Decide

☐ A vote ***for*** would allow an incumbent coroner in Livingston Parish, who is not a medical doctor, to run for re-election if a medical doctor also qualifies to run.

☐ A vote ***against*** would continue to require that a coroner be a medical doctor unless a qualified medical doctor is unwilling to assume the position.

ORDER FORM

PAR 2002 "Guide to the Proposed Constitutional Amendments"

(PAR members will automatically receive one free copy)

(Please Print or Type)

Name_____
Company_____
Mailing Address_____
Shipping Address_____
City_____
State_____Zip_____
Phone (____)_____
FAX (____)_____

Price List

1 copy	$3.50 each
2-50	$3.00 each
51-100	$2.75 each
101-200	$2.40 each
201 or more	$2.00 each

Number Ordered _____
Total Amount $_____

(Please add taxes: East Baton Rouge Parish, 9%; in state, 4%; out of state, no tax.)

Return order form along with payment to PAR, P. O. Box 14776, Baton Rouge, LA 70898-4776. For further information call (225) 926-8414.

Public Affairs Research Council of Louisiana, Inc.
4664 Jamestown Ave., Ste. 300 ● P.O. Box 14776
Baton Rouge, LA 70898-4776
Phone: (225) 926-8414 ● Fax: (225) 926-8417
Email: staff@la-par.org ● Website: www.la-par.org

Non-Profit Org.
U.S. Postage
PAID
Baton Rouge, LA
Permit No. 330

"PAR is an independent voice, offering solutions to critical public issues in Louisiana through accurate, objective research and focusing public attention on those solutions."

Voting on Louisiana Proposed Constitutional Amendments (1921 - 2000)

	Number of Amendments Proposed	Number of Amendments Approved	Average Percent of Registrants Voting
1921 Constitution	**802**	**536**	–
1974 Constitution (Total)	**157**	**105**	–
November 7, 1978	1	1	29.9
October 27, 1979	3	3	37.5
November 4, 1980	4	4	55.7
September 11, 1982	8	4	24.9
October 22, 1983	3	3	44.2
November 6, 1984	5	0	53.7
September 27, 1986	7	2	39.3
November 21, 1987	5	5	32.3
October 1, 1988	1	0	27.5
April 29, 1989	1	0	46.8
October 7, 1989	13	5	28.3
October 6, 1990	15	14	46.9
October 19, 1991	8	5	47.1
October 3, 1992	5	2	29.4
November 3, 1992	7	0	53.7
October 16, 1993	6	6	18.1
October 1, 1994	4	4	30.9
October 21, 1995	15	13	46.9
November 18, 1995	1	1	53.2
September 21 1996	2	2	36.1
November 5, 1996	3	3	54.4
October 3, 1998	18	15	19.6
November 3, 1998	2	2	26.4
October 23, 1999	10	5	31.9
November 20, 1999	6	6	23.1
November 7, 2000	4	0	51.0

SOURCE: Official Promulgation, Secretary of State